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0 USDA FIELD CO-LOCATION STUDY

0 Office of Information Systems
October 12, 1973

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Preface

This study was undertaken by the Office of Information Systems/Management Systems Division (OIS/MSD) in order to investigate the implications of consolidating the Department's field delivery system.

The study group consisted of permanent OIS/MSD Staff and personnel on detail to OIS from other agencies of the Department. The members of the study group were:

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The team had the benefit of guidance and suggestions from Joseph Wright, Assistant Secretary for Administration; Melvyn Copen, Director, OIS; C. R. Hanna, Chief, OIS/MSD; and several staff office heads.

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This report was prepared in the Office of Information Systems, Department of Defense, Washington, D.C., in order to provide the information of the Department's field activity.

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SECTION 1

BACKGROUND

1-1 Purpose -- The primary objective of this study is to determine the feasibility of relocating existing USDA field offices so as to attain the goals of increased efficiency and enhanced service to the public. Recommendations and implementation procedures are offered. This study reviews and analyzes the USDA field structure, identifying and recommending alternatives for the improvement of the Department's program delivery system. Specifically, the study addresses the increasing need to provide services to Agricultural clientele groups while enhancing the methods by which these services are offered. Structural efficiency and long-range economy are integral elements of the study.

1-2 Objectives -- The Departmental goal for a field delivery system is to meet the needs of USDA clientele groups in the most efficient and effective manner. Attainment of these goals can be achieved by fulfilling the following objectives:

- A. Develop a field office system which would, wherever possible, provide the full range of services to USDA clientele groups at a single point. This concept is commonly referred to as "one-stop-service".
- B. Generate potential for personnel reductions through the co-location of field offices.
- C. Co-locate field offices at the county level wherever possible.
- D. Provide for co-location, when possible, in or near the county seat, so as to permit access to private banking, local and commercial facilities and expertise.
- E. Favor co-locations in areas of population under 50,000 in order to remain consistent with the Rural Development Act of 1972.
- F. Consider possible elimination of marginally effective USDA offices based on criteria of distance and workload.
- G. Relocate offices so that, as a minimum, they share common housing with a common entrance, as well as office equipment, supplies, and to some extent, clerical personnel.

1-3 Scope -- The present USDA field structures contain approximately 14,700 offices (See Exhibit 1) and 86,000 personnel employed below the State or District level. The locations of approximately 5,250 of these field offices, however, are predetermined by their functions.

These include laboratories, research farms, on-site inspection and grading facilities, computer centers, residence offices, and offices which have cooperative funding reimbursements with State Departments of Agriculture or Land Grant Universities. Of the remaining 8,800 offices, 8,200 (34,000 employees)--primarily representing ASCS, FHA, FCIC, and SCS--are located at the county level and generally constitute the delivery system for diverse USDA programs. Approximately 600 offices (6,500 employees) consist of various inspection program, or service units which are not tied to on-site operations and could be moved within clientele areas.

The primary focus of this study is on these 8,800 offices.

1-4 Summary -- the USDA field co-location study attempts to identify a field delivery system which more fully meets the objectives of increased client service and efficient operation. Approaches to field office organization reveal that a geographical grouping provides the maximum in service potential, while functional and client-oriented groupings do not fulfill these requirements. Similarly, three alternatives to geographical co-location are identified, and applied to a model state (Florida) to determine the impact of each alternative. The results of this analysis is the identification of Alternative III, encompassing 8,800 offices and providing for multi-county offices, as the favored alternative, if conceived as an intermediate step toward functional integration.

Benefits derived include "one-stop-service", the elimination of marginal offices and its attendant economy, and the potential for functional integration of co-located offices. The study recommends a co-location effort be undertaken on a pilot basis, as a prelude to full implementation and coordinated with any reorganization of the functional activities of the Department.

DISCUSSION

2-1 Current USDA Field Organization -- The USDA has an extensive field delivery system providing diverse services to many clientele groups. Currently, Departmental Headquarters and 16 of its line agencies maintain 67 field structures. Further detail of the field structure is contained in Exhibit 2.

The strength of the USDA field structure is that a definitive delivery system through the local level now exists to administer each program. Each structure has a specific task, with lines of communication established between the field offices and Washington Headquarters. The current structure is also highly decentralized and has been successful in bringing Agriculture's programs to the various client groups served.

2-2 Organizational Problems -- Decentralization and field structure independence, while desirable methods of operation, tend to create problems or areas of concern to Departments as large and diverse as USDA. Inefficiencies emerge as administrative services and overhead costs are often duplicated. Coordination of activities by offices with similar programs serving the same geographical area tends to suffer.

Of greater concern, however, is the unrealized potential to serve similar clientele groups within the same geographic area with a single coordinated office. This absence of "one-stop-service", with the efficiencies and economies that accompany such a single-location concept, is due to the lack of an effective framework within which to coordinate the agencies' delivery systems.

The Department has recognized this problem and since 1962 has followed a policy of co-locating USDA field offices whenever possible. Secretary's Memorandum 1492, issued in 1962, established a State Administrative Committee in each State. Each committee was given the responsibility for the co-location of USDA field offices within their State. Since that time co-location has moved forward with varying degrees of success. Although, by 1972, over 54 percent of counties with USDA offices had achieved some degree of "co-location", the degree achieved lacks uniformity. Additionally, co-location to date has often failed to meet the criteria outlined in the objectives of this study (Section 1-2). Common housing does not often meet the objective of shared entrances, equipment or personnel (Section 1-2F), and a coordinated effort is still lacking. In many cases, offices have been moved into the same building, but continue to function as if they were unrelated entities.

In recent years, co-location efforts have begun to slow considerably; the easy moves have been accomplished with the more difficult moves remaining. However, ample incentives remain, aside from those already mentioned, for continued efforts toward co-location. Congressional

mandates such as the Rural Development Act and pointed discussions in appropriation hearings indicate strong pressure for improved administrative and program efficiency. Similarly, within the Executive Branch, pressures are found in circulars from OMB and in various projects of the Federal Assistance Review programs.

2-3 Other Federal Government Field Organizations -- A review of co-location/consolidation efforts as well as national field organization structures within other Federal Government Departments was conducted in order to gain insights, not only on the types of organizations developed, but also on a history of problems and solutions to this kind of organizational change. Three Departments were reviewed in detail: The Department of Commerce, which underwent a field reorganization in 1969; The Department of Interior, which recently underwent a regionalized reorganization; and The Department of Housing and Urban Development which has a noteworthy service criterion for field locations. Exhibit 3 contains detailed information on the field organization of these Departments.

This section of the study underscores the uniqueness of USDA in the number and variety of field programs. Each Department reviewed has established a field structure with strong lines of communication, authority and coordination between field units and Washington Headquarters. But each Department had a significantly smaller number of field offices and/or programs to administer. For example, Interior, the largest of the three studied, has 1,400 field offices; less than 10 percent the size of USDA's field system. Therefore, while the review proved to have some limited value, direct application of the field organization experience of other Departments is limited.

2-4 Methodological Approaches -- Three basic approaches to co-location of field units, while remaining consistent with the objectives set forth in Section 1 were examined in this study.

These approaches are to organize co-located offices by:

- Functional Grouping
- Clientele Grouping
- Geographical Groupings

A discussion of each approach, and its inherent strengths and weaknesses follows:

- A. Functional Groupings -- This involves the grouping of agencies which have similar programs and/or services. Within this approach, a co-located field office would conduct only transactions which were functionally similar, perhaps serving diverse client groups, but offering the same type of service to each. An example of this approach might be a county with three separate functionally oriented offices: A USDA Agriculture

Production Office, comprised of ASCS/FHA/FCIC/SCS; a Regulatory Office, comprised of APHIS/AMS/P&SA; and a Grading and Standards Office, housing AMS.

The strengths of such an approach would be the grouping of functional expertise and the potential for eliminating program overlap and duplication. Additionally, administrative efficiency would be facilitated.

The major weakness of this approach is that many agencies have programs which offer services in more than one functional area as is illustrated in Table 2-1 below. Additionally, the number of offices in a particular functional grouping available for co-location would, in most cases, not be sufficient to realize significant administrative or client service benefits. These weaknesses tend to preclude functional groupings as a viable approach.

Table 2-1

Examples of Multi-Functional Nature of USDA Field Offices

Function Agency	Agricultural Production	Rural Development	Research	Marketing	Regulatory	Inspection & Grading
AMS				X	X	X
ARS			X			
ASCS	X					
APHIS					X	X
CEA				X	X	
FCIC	X					
FHA	X	X				
P&SA				X	X	
REA		X				
SCS	X	X				

- B. Clientele Groupings -- This approach utilizes the concept of co-locating all functions which would service a particular client group. An example of this concept would be an area which contains two separate field offices: An urban-oriented office comprised of FHA/FNS; and a farmer-oriented office, comprised of SCS/ASCS/FCIC.

The strength of this approach is that it meets the objective of "one-stop-service"--providing a single convenient site for the conduct of a particular clientele's transactions.

The major weakness of this approach is the obvious multiplicity of various agency client groups, as illustrated in Table 2-2. FHA, for example, offers housing loans to urban and rural town dwellers and developers, and farm loans to farmers. A similar situation would develop with ASCS, in its attempt to serve farmers and rural town dwellers. Again, these weaknesses tend to preclude clientele groupings as a viable approach.

Table 2-2

Examples of Multi-Clientele Servicing by USDA Field Offices

<u>Clientele Agency</u>	Urban	Rural Town Dwellers	Agri-business	Farmers
AMS		X	X	
ARS		X	X	X
ASCS		X		X
APHIS			X	
CEA			X	
FHA	X	X		X
FCIC		X		X
FNS	X	X		X
P&SA			X	
REA		X		
SCS	X	X		X

- C. Geographical Groupings -- This approach groups all USDA field offices within a geographical area, which can be operated effectively within workload and distance constraints. All field entities, wherever possible, are co-located regardless of client or functions, and in accordance with the objectives outlined in Section 1.

The strength of this approach is the possible clientele convenience with respect to "one-site service", as well as the maximum reduction of field sites maintained by the Department. Functional overlap would tend to become more apparent, and shared administrative functions would increase the benefits to the Department.

The weakness would be the initial cost of such a relocation, and problems which might arise due to the increased space requirements of newly co-located offices.

The third approach is considered most feasible, and is therefore, recommended. This recommendation, however, is not simply based on the lack of viability of the first two approaches, but also on the merits

of the third. Although an initial increase in costs will be incurred, it will be shown (Section 2-6) that this cost can be offset by long-range savings, as well as program efficiencies.

Approach C groups offices on the basis of geographical proximity, but also focuses on major agency field structures insuring proximity to the client groups served. This approach also comes closest to attaining the objectives set forth in Section 1. With these considerations as a foundation, the possible alternatives for accomplishing a geographical co-location effort are addressed.

2-5 Alternatives -- The available alternatives are presented in an ascending order of complexity, advantages gained, and to some extent, difficulties incurred in implementation. The increasing order of complexity is directly related to the scope of each alternative.

Contained within each alternative is the expectancy that co-location of field offices will ultimately permit a functional consolidation of USDA's program delivery system. Functional consolidation and integration entails client-specific service, providing optimum client services resulting in increased operating efficiency. An example of this concept is that rather than having finance operations handled by program personnel from ASCS, FHA, and FCIC, loan and insurance services would be handled by a finance specialist. This specialist could offer the most efficient service to a USDA client, according to the client's needs.

It is not within the realm of this study to examine the concept of functional consolidation, but to realize the potential of such a concept, directing its findings accordingly. Each alternative, therefore, identifies this concept as a possible benefit to be gained, and only the degree to which it can be applied differs.

The alternatives developed in the study have been applied to a sample state in order to examine the implications and ramifications of each alternative upon the field organization. The state of Florida was selected for this model. Exhibit 5 contains the discussion and presentation of the Florida model.

- A. Alternative I -- This alternative, although extensive in its own right, has the least impact of the three alternatives on the field office structure. Office relocations would not cross county lines, and the number of offices actually moved would be 2,536, involving approximately 7,546 employees (see Table 2-3, Section 2-6). The total number of offices encompassed by this alternative would be 8,212, employing some 34,323 people.

The following agency local offices would co-locate within each county:

ASCS
FCIC (excluding resident stations)
FHA
SCS (excluding special field offices)

A review of each of the 67 field structures of the Department indicates that these are the offices which would be most conducive to co-location because they are geographically flexible, on the average are relatively small offices (4.1 employees per office), and generally do not perform functions which are highly location-specific. Additionally, there is substantial client overlap among several offices.

The advantages to be gained are:

- 1) This would move the USDA field structure closer to the goal of "one-stop-service".
- 2) Some marginal administrative efficiency would be gained. While it is not possible to estimate actual dollar savings, some reduction of costs could be achieved by sharing of common administrative services such as telephone switchboards, reproduction facilities, and clerical personnel.
- 3) This would facilitate the eventual functional integration of field offices.

The disadvantages to the alternative are:

- 1) The non-repetitive cost for carrying out this co-location is estimated at almost \$9 million, with increased annual costs in excess of \$2 million. (See Exhibit 4.)
- 2) The move would cause a substantial amount of disruption of work flow.
- 3) Some clients will undoubtedly be disadvantaged by the co-location, even though the majority would benefit from the availability of more complete service in one place.

B. Alternative II -- This alternative would co-locate all of the offices included in Alternative I plus the following:

AMS (129 inspection and grading offices)
APHIS (178 PPQ offices)
FNS (261 local offices)
OGC (10 branch offices)--local level

OIG (19 sub-offices)--local level
AMS (Admin. Support Div.)
ASCS (Mgmt. Field Offices)
APHIS (Mgmt. Office)

These agency offices, again, would not cross county lines, and would increase the number of offices and personnel requiring relocation by 300 (2,836 in total) and approximately 2,550 (some 10,000 in total), respectively. The total number of offices encompassed by this alternative is 8,823, employing some 40,800 people.

A review of field structures indicates that this additional grouping is also conducive to co-location. However, these offices have been identified as a separate category because they are, on the average, larger offices (10.6 people), and tend to be somewhat less flexible because of the nature of the function performed, size of office, and equipment needed.

The advantages to be gained are similar to those of Alternative I:

- 1) This would be incrementally beneficial in terms of augmenting "one-stop-service".
- 2) Some additional administrative efficiency would be gained. Again, while it is not possible to estimate actual dollar savings, some reduction of costs could be achieved by the sharing of common administrative services such as telephone switchboards, reproduction facilities, and clerical personnel.
- 3) This would further facilitate the functional integration of offices, if undertaken.

The disadvantages to this alternative are:

- 1) The cost of moving this additional group is estimated at \$2,900,000. Annual costs would increase by an estimated \$250,000. (See Exhibit 4.)
- 2) These offices are, on the average, more difficult to actually move than are Alternative I offices because of their larger size and the types of functions performed.
- 3) The disadvantage to some clients may increase over Alternative I, but should not increase proportionally, due to the nature of the additional offices. Again, the benefiting majority would also increase in number.

C. Alternative III

This alternative would co-locate all feasible offices as proposed in Alternatives I and II, and also combine county offices into multi-county offices whenever possible, consistent with workload and distance criteria.

This alternative, based on the implications of the Florida model, (in which offices from 30 percent of the marginal counties were moved into multi-county offices Exhibit 5) would affect 8,823 offices and 40,800 people.

The advantages to be gained are:

- 1) This would facilitate providing a more complete range of USDA services. For example, where a particular county may not have sufficient workload to require having a particular type of specialist, a multi-county office might cover sufficient clientele and area to warrant the addition of such an employee.
- 2) This would eliminate marginally productive offices, and permit a more economic scale of operation.
- 3) This would have the benefits as in Alternatives I and II of facilitating functional integration if it is to be undertaken and the promotion of the "one-stop-service" concept.
- 4) This would facilitate personnel reductions by eliminating marginal offices; savings are estimated at \$39.3 million annually. (See Exhibit 4.)

The disadvantages of this alternative are:

- 1) Some clientele will be disadvantaged because they will need to travel further for services.
- 2) The initial cost of this alternative is estimated at \$19.0 million. (See Exhibit 4.)
- 3) Adverse political reactions may result from closing county offices.
- 4) There will be some disruption of the current operating methods of county committees in counties eliminated.

2-6 Comparative Analysis of Alternatives -- The alternatives to co-location are shown to be incremental with respect to the number of offices and personnel affected. Table 2-3 summarizes these numbers.

The benefits of "one-stop-service" are to be gained by all three alternatives, however, Alternative III provides the most extensive potential for this concept.

The potential benefit of functional consolidation and integration is also available to each alternative, but again, Alternative III provides the strongest position for such a concept.

While Alternative I and II provide for some savings due to administrative efficiency, Alternative III provides a potential for significant cost savings due to the elimination of marginally productive offices, and the personnel reductions associated with such a co-location. (Table 2-3 shows the comparative costs/savings associated with each alternative). Additionally, approximately 95 percent of the non-repetitive costs of Alternative I are attributable to the movement of personnel. Increased annual costs would be largely as a result of moving offices out of space which is currently provided free of charge by local and state organizations. Alternative II non-repetitive costs increase disproportionately over those in Alternative I because the average office size of Alternative II offices is substantially larger.

Alternative III, while creating the best potential for "one-stop-service", also requires some clientele to travel further distances to avail themselves of USDA services. Of the three, Alternative I provides the least inconvenience in client travel. Alternative II, however, does not significantly increase this as a problem.

Table 2-3

Summary of Implications of Co-location Alternatives

	<u>ALTERNATIVES</u>		
	I	II	III
Facilities currently co-located	2,639	2,950	2,950
Facilities receiving relocated offices	3,037	3,037	2,243
Offices moved (Net Reduction)	<u>2,536</u>	<u>2,836</u>	<u>3,630</u>
Total facilities involved	8,212	8,823	8,823
Number of personnel actually requiring relocation	4,905	6,562	10,645
Cost (savings) implications <u>1/</u>			
Non-repetitive	\$8,924,910	\$11,856,404	\$19,088,090
Annual	\$2,130,000	\$2,382,000	(\$39,368,000)
<u>1/</u> See Exhibit 4 for detail.			

SECTION 3

CONCLUSION AND RECOMMENDATIONS

3-1 Conclusions -- The review of the field structure of USDA has resulted in the identification of Departmental goals and objectives which are not being fully achieved. The objective of a field delivery system which meets the needs of USDA client groups in a simple and effective manner, while increasing administrative efficiency and economy has been a long recognized problem in the Department. This study offers alternatives to improve this situation by providing alternatives designed to result in the co-location of a significant number of field offices. These co-located offices should be capable of providing expanded service to client groups within the concept of "one-stop-service", while permitting increased administrative efficiency.

Approaches to the organization of co-located offices revealed that both functional and clientele groupings could not fulfill the requirements of a field structure, while geographical groupings provided the maximum in service potential.

Additional significant determinations include the following:

- A. Any co-location effort will entail a substantial non-repetitive cost, while annual costs will increase, largely due to the abandonment of free space. Savings can only be realized if co-location facilitates major reductions in field personnel.
- B. The offsetting benefits of one-stop service cannot be readily quantified, nor is it clear from information gathered, that co-location on balance significantly facilitates these benefits. While some clientele are favored by co-location, others will be disadvantaged. These however, do not appear to be equal, with clients favored outweighing clients disadvantaged.
- C. It is not clear that co-location significantly facilitates increased administrative efficiency. The belief in such efficiency must be intuitive. The savings facilitated by sharing of administrative services is minor, relative to the other costs generated.
- D. Perhaps the most important benefits from co-location may derive from functional integration, the second sequential step. It is this integration of the various agency activities which will permit the elimination of duplication, the merger of similar or related types of functions, and the optimum in client services.

- E. The Florida model, while valuable, must be approached with a critical eye. No one state can, as indicated in Exhibit 5, be considered representative of even a major portion of the country, and therefore lacks the requirements of a scientific analysis.
- F. While other Government departments have had some experience with field structure reorganization, none have a field structure as large as does USDA. Therefore, the information gained is of limited value.

3-2 Recommendations -- Based upon the conclusions of this study, the following recommendations are made:

- A. A major co-location effort should be undertaken and conceived as an intermediate step toward reduction of personnel either through elimination of marginal offices and/or through functional integration within co-located offices.
- B. Alternative III, which provides the best alternative for achieving this efficiency of operation, is recommended as the framework for the implementation phase. Exhibit 6 contains a recommended implementation plan which provides an approach and a schedule of events required for implementation.
- C. In view of the magnitude and complexity of the problem, it is further recommended that implementation be undertaken on a pilot basis (either in one or two selected states).
- D. Perhaps the most important benefits from co-location may actually be derived from the next logical step in the sequence--functional integration. It is this integration of the various agency activities which will permit the elimination of duplication, the merging of similar or related types of functions, and the optimum in client services.

Exhibit 1

USDA Field Structure by Agency 1/

Agency	(1) Total Offices	(2) Regional Sub-regional 2/ State Offices	(3) Local Offices	(4) Resident Stations 3/	(5) Sites Pre-determined by Function 4/	(6) Local Office Flexible for Co-location less Coop., Labs, On-site
	(1) - (2)					(3) - (4 + 5)
AMS	507	227	280	-	144	136
ARS	212	33	179	-	179	-
ASCS	2878	50	2828	-	6	2822
APHIS	1038	129	909	345	383	181
CEA	4	3	1	-	1	-
ERS	109	-	109	-	109	-
ES	3570	52	3518	-	3518	-
FHA	2062	42	2020	-	1	2019
FCIC	435	28	407	67	5	335
FNS	266	5	261	-	-	261
FAS	1	1	-	-	-	-
FS	1032	148	884	-	884	-
PS&SA	14	13	1	-	1	-
REA	171	-	171	171	-	-
SCS	3111	50	3061	-	24	3037
SRS	44	44	-	-	-	-
ADMIN	61	28	33	-	1	32
	15,515	853	14,662	583	5,256	8,823

- 1/ 16 agencies and Departmental Administration with multiple field structures. 67 in total.
- 2/ Regional office - geographic area consisting of two or more States with line authority for its jurisdiction.
- 3/ Sub-regional office - geographic area smaller than a region but larger than one State.
- 4/ State office - office which administers program within State boundary.
- 5/ The home of an employee which is used as his duty station; also refers to a duty station with no fixed address.
- 6/ Inspection points such as ports of entry, packing plants, auction houses.
- 7/ e: May 1972 FAR Report as updated by OIS.





Analysis of USDA Field Structure

I. Background

The USDA maintains 67 field structures administered by Departmental Headquarters and 16 line agencies. For the purpose of this analysis, the following definitions will be used unless otherwise noted in the text:

Field Structure--A field office or a system of field offices in a single line of authority reporting to agency headquarters.

Regional Office--A geographic area largely consisting of two or more States with line authority for its jurisdiction.

Sub-regional Office--Geographic area smaller than a region but larger than a State.

State Office--Responsible for an area defined by State boundaries.

Local Office--Refers to offices at the county or multi-county level.

Resident Station--The home of an employee which is used as his duty station; also used to refer to a duty station where there is no fixed address.

Special Field Office--Support offices or laboratories not part of the program field line of authority or which have no geographic base. Also, a special field office can refer to an agency's national management field office.

II. Field Structure Analysis

In order to more fully understand the scope and nature of the USDA's field structures, the following analysis has been developed to show the wide range of field structure within each agency. Although brief, this analysis points out the complex nature of the field structure in USDA. A more detailed organizational review of the field structure may be found in the "Federal Assistance Review of Domestic Field Organization Structures", revised May 1972.

Agricultural Marketing Service--AMS

AMS maintains 19 field structures in ten divisions with approximately 507 field locations. As the following table indicates, AMS field structures are primarily responsible for the inspection and grading of various agricultural commodities, maintenance of market news services, administering of market orders, and for certain field administrative activities.

Table 1

Each number represents a separate field structure.

Agricultural Research Service--ARS

ARS maintains one field structure which conducts research activities such as experimental farming and laboratory research at various field laboratories.

Agricultural Conservation and Stabilization Service--ASCS

ASCS maintains five field structures with a total of 2,866 offices. The main ASCS field structure is composed of local offices usually at the county level which administer the agency's farmer programs. The other structures are responsible for administering commodity programs and for providing technical support to field units.

Animal and Plant Health Inspection Service--APHIS

APHIS maintains 12 field structures with a total of 1,038 field offices. As the following table indicates, the majority of APHIS field activities are concerned with providing inspection and protection services for both animal and plant products.

Table 2

Field Structure of APHIS

TOTALS													
Quarantine Inspection 2													
Quarantine Inspection 1													
Quarantine Protection 2													
Quarantine Protection 1													
Plant Protection Biologics													
Plant Protection													
Veterinary Health Program													
Animal Health Programs													
Finance													
Budget Division													
Personnel Division													
Administrative Management Staff													
Meat & Poultry Inspec.													
Compliance Inspec.													
Meat & Poultry Inspec.													
Field Operations Inspec.													
Meat & Poultry Services													
Scientific Services													
Field Structures													
FUNCTION													
Inspection (I)		260									2	80	342
Protection (P)									11	276			287
Compliance (C)			5										5
Administrative (A)				1	1	1							3
Technical, Lab, & Vet Service (T)	8						392	1					401
Total Field Structure	8	260	5	1	1	1	392	1	11	276	2	80	1038

Commodity Exchange Authority--CEA

CEA maintains one field structure with three regional offices. These offices provide supervision for commodity futures trading markets.

Economic Research Service--ERS

ERS maintains six field structures. Each structure develops and administers research projects in specific areas through coordination with universities and other research institutions.

Extension Service--ES

ES maintains one field structure with a total of 3,570 offices which are mostly on the local level. ES offices are staffed by State personnel who provide educational and instructional programs for rural and urban families.

Farmers Home Administration--FHA

FHA maintains two field structures with a total of 2,061 offices. One structure is made up of a finance office located in St. Louis which provides technical support to local offices. The second, and larger structure, is mainly comprised of local offices which administer credit programs for farmers, rural housing construction, disaster aid, and rural industrial development.

Foreign Agricultural Service--FAS

FAS maintains one field structure with one office located in Chicago. This office coordinates with the export trade in the mid-west.

Federal Crop Insurance Corporation--FCIC

FCIC maintains two field structures. One is composed of four special field units which provide technical support to the insurance agents in the field. The second structure is composed of agents who sell insurance against crop loss. The majority of the offices in this structure are at the local level.

Food and Nutrition Service--FNS

FNS maintains one field structure consisting of five regional offices and 261 local offices working in cooperation with state agencies.

Forest Service--FS

The Forest Service maintains three field structures which are responsible for maintenance and protection of forest resources.

Packers and Stockyards Administration--P&SA

P&SA maintains one field structure with four offices which administer anti-trust and trade practices regulatory programs for public live-stock markets.

III. Grouping of Field Structures for Flexibility for Co-location

This review of the field structures provides for a general grouping of various structures based on flexibility for office movement and co-location with other structures. This review centered on local offices only and did not consider the feasibility of co-location of regional or State level offices. However, all field structures are identified and grouped in the following tables, according to flexibility for co-location.

Table 3

Field structures having co-location flexibility

<u>Table 3A</u>			
Field structures with functions not requiring specific location.			
<u>Agency</u>	<u>Field Structures</u>	<u>Offices</u>	<u>Personnel</u>
ASCS Local Offices	1	2,821	10,450
FCIC Local Offices	1	335	1,414
FHA Local Offices	1	2,019	7,386
SCS Local Offices	<u>1</u>	<u>3,037</u>	<u>15,073</u>
TOTAL	4	8,212	34,323

Table 3B

Field structures with offices providing administrative support or inspection and grading services and which have flexibility for co-location within clientele area:

<u>AGENCY</u>	<u>FIELD STRUCTURES</u>	<u>OFFICES</u>	<u>PERSONNEL</u>
<u>AMS:</u>			
Dairy Inspection & Grading	1	2	2,724
Grain Inspection & Grading	1	41	
Fruit & Vegetable Fresh Products	1	36	
Fruit & Vegetable Processed Products	1	10	
Poultry Inspection & Grading	1	3	
Cotton Division	1	28	
Tobacco Division	1	9	
Administrative Support Division	2	7	
<u>APHIS:</u>			
PPQ Protection Programs	2	178	300
Management	3	3	1,000
FNS Local Office	1	261	1,373
ASCS Management	2	1	200
OGC	2	10	162
OIG	2	22	745
TOTAL	19	611	6,504

Table 4

Agencies not having co-location capability (inflexible)

- A. Field structures having ties with State agencies or universities, such as cooperative funding of facilities and/or personnel:

<u>Agency</u>	<u>Field Structures</u> ^{1/}	<u>Offices</u>	<u>Personnel</u>
Extension Service	(1)	3,518	5
Agricultural Marketing Service	(4)	61	446
Livestock, Fruit and Vegetable, Grain, and Poultry <u>Market News</u>			
TOTAL	(5)	3,579	451

- B. Field structures which provide administrative support to other field structures but are inflexible because they are established near computers or with other structures which cannot move.

<u>Agency</u>	<u>Field Structures</u>	<u>Offices</u>	<u>Personnel</u>
Budget & Finance	(1)	1	139
OIS	(1)	1	99
ASCS/PPD	(1)	2	100
FHA Finance Office	(1)	1	560
FCIC Finance Center	(1)	5	110
SCS Technical Centers	(1)	4	1,000
OMS	(1)	1	38
TOTAL	(7)	15	2,046

- C. Other field structures not flexible for co-location.

<u>Field Structure</u>	<u>Reasons</u> ^{2/}
(3) Forest Service	must be near resources
(1) AMS Milk Marketing Admin.	not Federally funded
(1) ARS	on site locations
(6) ERS	on site locations
(1) ASCS commodity offices	tied to computers
(1) P&SA	on site locations
(2) APHIS (MPI)	on site locations
(4) APHIS Vet Services	on site locations
(2) APHIS PPQ	on site locations
(1) ASCS (DASCO)	labs
(1) CEA	on site locations
(6) AMS structures with no local offices	no local offices
(1) SRS	no local offices
(1) FAS	no local offices
(1) REA	all resident stations
(32)	

1/ Number in parenthesis indicates number of field structures involved.

2/ No office numbers or personnel given this category as these offices are not flexible for co-location efforts.

Field Structure of Select Government Agencies

Each of the following studies has provided unique background material which was used to varying degrees in the formation of USDA field office co-location alternatives.

Commerce, having had a recent co-location and consolidation effort, provided considerable background information on the planning, implementation and problem areas to be anticipated, in putting together such an effort on a large scale.

HUD, while having a comparatively limited program structure, demonstrates strong organizational controls at the Regional and local levels.

Interior demonstrates an obvious inability to consolidate further, as most of its field offices are physically immobile. Yet, its organizational structure depicts a sound flow of communication between the secretary and the field, and shows a potential for efficient program coordination while decentralizing Washington control at the agency level.

Department of Commerce, Field Reorganization , 1969

I. Implementation: The Secretary's Memo

The Secretary's Office drafted a staff memo, enlisting the support of all Commerce officers. The memo contained an explanation of why the consolidation effort was being undertaken. It also reflected a high Secretarial priority.

A. Benefits of the consolidation were clearly outlined:

- 1) The (President) Administration has strongly urged conformance to regional boundaries. To comply, certain field offices moves will be in order whether or not any further reorganization is planned.
- 2) The visibility of Commerce as a service organization must be reinforced.
- 3) Consolidation will facilitate a standardization of forms, procedures, systems, etc.
- 4) Particularly in small offices, cost savings can be foreseen through cross use benefits of employees; sharing of mail room costs and services; sharing of xerox services, data processing time-sharing; the unquantifiable savings in time and efficiency found in sharing routine chores, watching phones, secretarial and clerical help sharing, etc.

- B. Commerce agency and division heads at the local level were asked to cooperate as much as possible in working out the optimal relocation/co-location solution with the other offices in their cities.

II. Assistance from Outside the Department

After the memo was distributed, the Secretary's staff contacted Mr. Loy Ship, GSA's coordinating official for all field space acquisitions. Mr. Ship was apprised of the consolidation plan and asked to look for opportunities in co-locating the now existing offices. As leases expired, new locations for consolidating even unrelated offices were evaluated for cost savings. Ship and the local agency heads were asked to give priority consideration to co-locations in Federal buildings.

III. Agency Opposition. A natural agency opposition to the co-location/consolidation project was expected. Commerce coordinators found the following four areas to be of greatest concern to those who resisted consolidation.

Cost. Agencies were asked to reserve part of their space budget for relocation costs. This was especially difficult to manage during the fiscal years 1969 and 1970, as budgets had already been drawn up without the anticipation of consolidation and moving expenses.

In the first year, agency activity in this area carried a high profile at the secretarial level. In light of this priority, bureaus were often forced to simply "find the money to do it", and in more cases than not they did.

A full time coordinator was assigned to "bird dog" the National co-location effort, touching base with the bureaus and GSA while reporting to the secretary on progress.

- B. Incompatibility with Program or Service Objectives. Occasionally, a bureau's changes in offices or commuting conditions made relocation difficult. The National Oceanic and atmospheric Commission (at that time part of Commerce) required a 24-hour-per-day, full staff. Agencies and bureaus were asked to be as flexible as possible in adjusting to new conditions, neighborhoods, etc., but when adjustments threatened to be intolerable, the Department showed flexibility in allowing some bureaus to remain stationary. (An alternative at such a decision point would always be to consolidate in the location of the immobile agency.)

- C. The program areas are not mutually supportive among local offices expected to co-locate. Unless co-location proved deleterious to program missions, co-location was urged. Unrelated bureaus might still share the same space, and the derived cost savings was a major objective of the co-location effort. Bureaus serving business communities, scientific areas, and minority needs were commonly found occupying one floor of a Federal or commercial building after co-location was implemented.
- D. Employees at the local level often expressed disapproval at relocating into high crime areas, losing adequate parking privileges, etc. These problems were focused and handled at the local level.

IV. Maintaining Momentum

Steps were taken to insure that agency heads and field office employees were made cognizant of top management support of the consolidation effort. Before and during the early stages of consolidation, agency consensus appeared to be that the higher echelons of commerce management were politically oriented rather than management oriented. The Secretary's office tried to reshape this attitude in its relationships with the line organization.

The overall plan for consolidation called for co-locating as many activities as feasible in any given city under one roof. Due to the many and varied efforts involved in the implementation, this was a difficult plan to orchestrate. Close monitoring by GSA and the field office coordinator permitted the Secretary's office to know what agencies were "dragging their feet."

V. Planning Phase

Formal planning time, which set the foundation for co-location was relatively short. A "Co-location Book" was compiled, identifying geographical areas in which consolidations would take place, zeroing-in on the larger cities containing commerce bureaus. The book contained lease expiration dates, office locations and space requirements for each field office. This tool, while designed early in the project, served to its greatest advantage as the co-location effort stretched over time. Initial agency compliance was attributed to the Secretary's memo, and as the convenient or "easy" co-locations were met, further favorable responses to the project became increasingly sparse. Here, the co-location book served as a plan, showing the Secretary which leases would expire in order of imminence, and let project coordinators know where to focus their attentions.

At the local level, primary efforts were directed toward dealing with major (relative to size of bureaus and degree of imminence of lease expiration dates. Opportunities to get each co-location accomplished as rapidly as possible at a minimal cost were given priority.

Using the "Co-location Book" a semi-formal "mini-plan" was developed for each city, using the criteria above. The actual number of offices consolidated was not a publicized objective of the co-location effort, the significant factor to the Secretary seemed to be how many offices were consolidated in each city or locale. The real benefits of consolidation had to come from the micro level co-location, derived from improved management effectiveness.

VI. Maintenance

During the past three years, the consolidation effort has weathered peaks and valleys. Several factors that seemed to relate to progress variance:

- A. The Secretary must clarify and reinforce the need and value of co-location; and there must be no doubt, as to his support and awareness of agency progress.
- B. The Assistant Secretary for Administration must participate actively in the program.
- C. The image of political orientation by top management must be avoided and a participative management style is recommended.
- D. Relocating an office is sometimes infeasible. Coordinators must be willing to compromise when necessary to avoid polarization and mistrust with the agencies. Several commerce research facilities, housed in universities (e.g., Universities of Seattle and Maryland) had been given free space prior to the co-location announcement. Valid exceptions to co-location/re-location criteria must always be weighed against a standardized policy.^{1/}

^{1/} For example, a Commerce Department weather activity located in New York City's Rockefeller Plaza had been scheduled to re-locate in early 1969; however, an antenna built on the building's roof made low cost satisfactory re-location impractical, due to the high costs of moving or re-constructing the equipment. The Agency resisted conformance to co-location until months later, considerable uneasiness between the field office, the National coordinator, and the agency, was apparent. The move was orally cancelled and dysfunctionism was avoided.

- E. An appeal must be made and maintained for a unified department, a team effort and better cooperation. Commerce found that when this emphasis was neglected, the progress of the project lagged.
- F. Cooperation and liaison with GSA must be close. When this relationship slackened, the project lagged proportionately.
- G. Coordination between the Washington headquarters and field office co-location planning groups was necessarily tight. Participative management dictated that bureaus handle their own inter-bureau co-location efforts within the various locales. Consequently, close monitoring was made by the National coordinator. No budget plans for the co-location were made on the bureau level.

VII. Benefits of Co-location, in Retrospect

Before co-location, few field office commerce bureaus were readily identifiable with the Department. The consolidation effort increased Commerce's visibility to the public. In areas of high population concentration, co-location increased public access as well.

Larger co-located offices have enjoyed cost savings benefits in various time and expense sharing methods, efficiency benefits through the use of common receptionists, etc. While most of these savings have yet to be quantified, the consolidated New York office has shown "substantial" increases in productivity and "significant" cost savings.

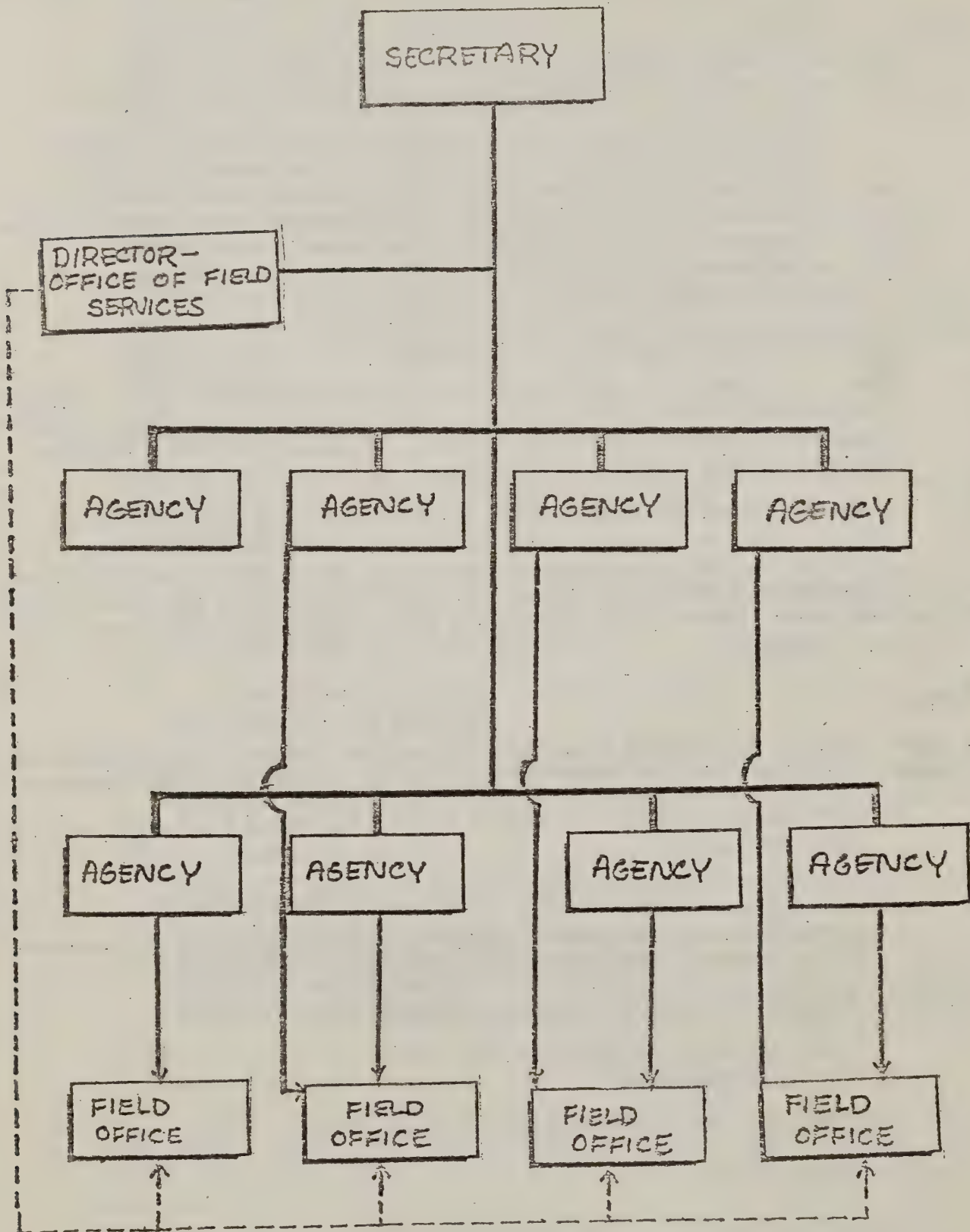
Summary

A field office co-location effort should include the following phases and elements according to the Department of Commerce consolidation programs:

- 1) Development phase compilation of a co-location book or chart consisting of:
 - a) A listing of field offices by locale and agency
 - b) A lease expiration schedule, indicating which expirations have priority and those which are non-renewable.
- 2) Introduction and enlistment of support:
 - a) Statement of Departmental plan and justification by the Secretary
 - b) Outline plan and needs with GSA
- 3) Implementation:
 - a) Designate National coordinator.
 - b) Monitor "mini-plans" at local level.
 - c) Insure high visibility of co-location efforts.

The following chart shows the flow of responsibility for Commerce's field operation:

DEPARTMENT OF COMMERCE



BOTTOM ROW REPRESENTS CO-LOCATED FIELD OFFICE

----- INDICATES PROGRAM COORDINATION AND ADMINISTRATIVE FUNCTION

————— INDICATES TECHNICAL INTERFACE OR STAFF FUNCTION

Department of Housing and Urban Development

The Department of Housing and Urban Development has a relatively small field structure, with a program service function seemingly monolithic in comparison to that of USDA. The locations of US field offices however, teach us something about a client-centered approach to service. What "one-stop-shopping" does for the client who uses a diversity of USDA services, physical diversification and sound regional office control has done for HUD's service capabilities.

I. Background and Organization

HUD has 10 regional offices, 39 area offices and 38 insuring offices. The 10 regions conform to the federal regional boundaries.

Line Authority flows from the Secretary to Assistant Secretaries, from Assistant Secretaries to Regional Administrators, and through Regional Administrators to Directors of area and insuring offices.

Regional offices supervise, coordinate, and evaluate area and insuring office operations. They are responsible for the allocation of program and administrative funds among area and insuring offices, receiving such funds and guidance from appropriate Assistant Secretaries.

Area offices and insuring offices are responsible for operating and decision-making functions in the field and are the Department's principal point of contact for program participants and sponsors. In most instances, final action decisions are delegated at this level.

It is important to note that HUD is a solely mortgage insuring agency, not a lending institution. Its field structure is staffed and located so as to best meet the needs of jurisdictional areas. However, all area offices were insuring offices at one time (area offices established in 1969 and 1971): area offices are located in the same cities as were insuring offices but not necessarily in the same building. Before area offices were established, all programs other than the Federal Housing Authority (FHA) Program were administered in regional offices. The Denver Regional Office due to the sparse population of US region still operates under this procedure (no area offices).

II. Variability of Size and Functions

The operating structure of HUD varies from the organizational structure in several ways: insuring offices sometimes establish service offices to handle technical aspects of a particular program's property appraisals; insuring offices may establish resident stations

and/or contract individuals such as surveyors; certain skilled individuals such as architects may serve different insuring offices—less expensive than contracting for skilled labor.

The number of employees in an area office or an insuring office may vary as shown below:

Area Office

Pittsburgh, PA 160 employees
Richmond, VA 161 employees

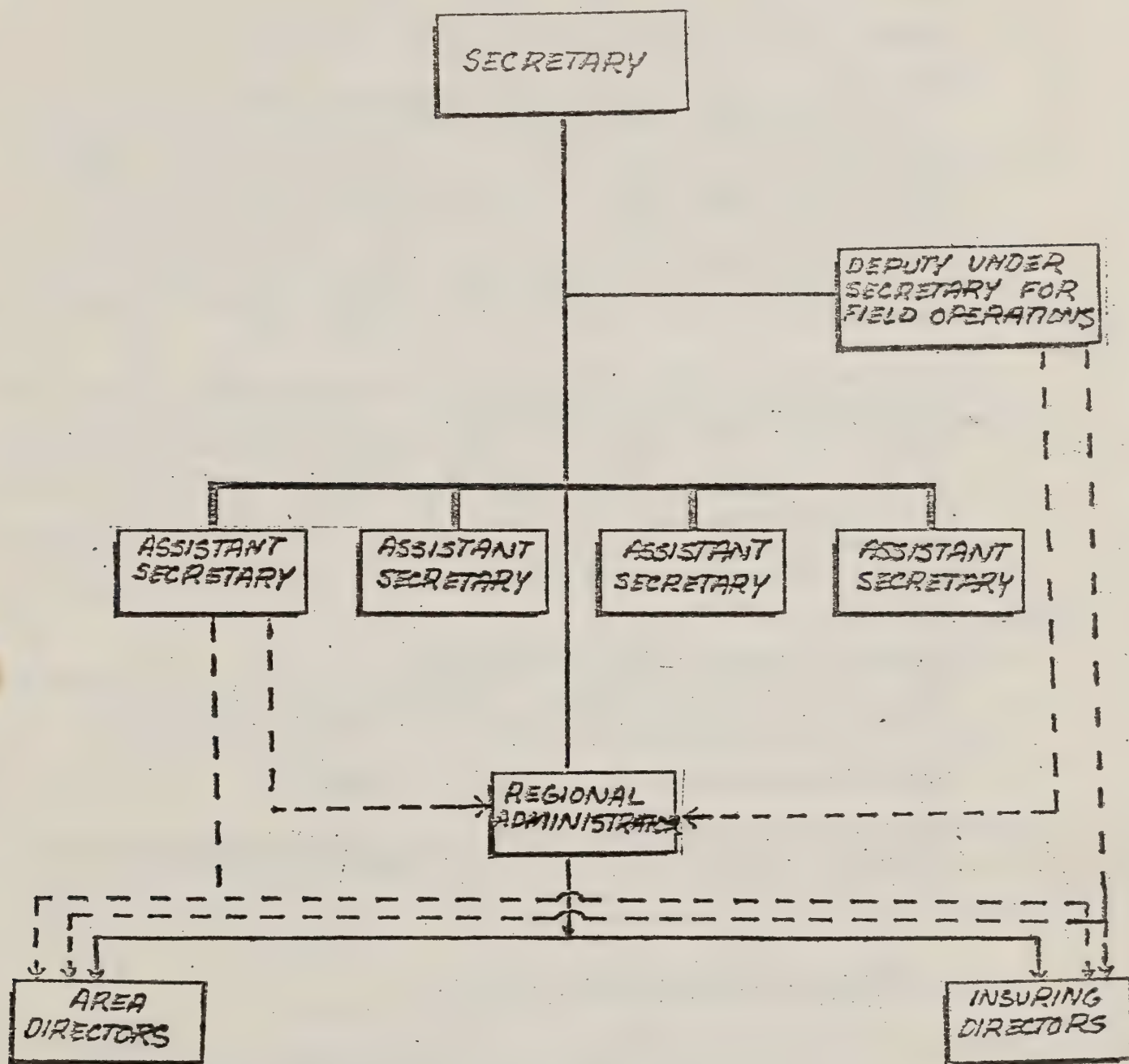
Insuring Office

Burlington, VT 13 employees
Bangor, ME 53 employees
Albany, NY 124 employees
Hempstead, NY 24 employees

<u>Region</u>	<u>Area Office</u>	<u>Insuring Offices</u>
I	3	3
II	5	2
III	5	2
IV	8	4
V	6	4
VI	5	6
VII	3	2
VIII	0	6
IX	2	6
X	2	3

The following chart shows the flow of responsibility for HUD's field operation:

DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT



—— LINE AUTHORITY
----- POLICY COORDINATION

The Department of the Interior

I. General and Background

The Interior Department's field organization has not experienced a major organizational change in several decades. The emergence of several new agencies (the Office of Oil and Gas, for example) has expanded its field structure considerably, yet most of its field offices and their functional jurisdictions restrict the chance of co-location efforts. They have, however, developed a regional structure which approximates the Federal regional system and (with the exception of D.O.T.) is unique in field organizational structure.

Interior's field structure covers the continental U. S. plus Alaska and Hawaii, and includes approximately 1400 field offices, grouped under eight regional offices. These regional offices now conform "wherever possible" to the standard federal regions but (naturally) functional lines of control have modified the Department's "Conformance" pattern: Regions 1, 2, and 3 are combined; Region 4 includes Kentucky, but is otherwise in conformance; Region 5 is intact, sans Kentucky; Region 7 and 8 are combined; and Regions 6, 9 and 10 are intact.

The varied types of field offices share very few cross-dependencies and report to their respective Washington agency headquarters', formally as indicated by the attached organizational chart.

II. Functional operations and Delegations of Authority

In a recent reorganization of Regional systems in response to OMB directives, eight billets of "Special Assistant to the Secretary" were established to represent the Office of the Secretary in the field:

A. Secretary's Field Organization

1. The field organization both existing Secretarial field structures are consolidated into a single organization reporting to the Immediate Office of the Secretary.
2. The Field Representative is upgraded to Special Assistant to the Secretary responsible for a specific region.
3. The Special Assistants' offices will be located in the same regional cities in which Field Representatives' offices were formerly located.

4. Each Special Assistant will have one or more Staff Assistants (except Alaska).
5. One will provide technical expertise in environmental impact statement review, where required.
6. In the larger offices, a Staff Assistant to the Secretary will be responsible for office management.
7. Responsibility for day-to-day coordination of the field organization will be assigned to a Special Assistant to the Secretary for Field Coordination in Washington.

B. Responsibility of Special Assistants

1. Each Special Assistant is responsible for the following functions:
2. Represent the Secretary in the assigned region.
3. Act as Chairman of the Department's Field Committee.
4. Act as liaison with Congressional, State and local government representatives and with special interest groups.
5. Coordinate with all Department activities in the assigned region, especially bureau communications and liaison personnel.

C. Responsibilities of the Special Assistants to the Secretary for the Regions

1. Represent the Secretary of the Interior in his assigned region.
2. Serve as Chairman of the Secretary's Field Committee.
3. Serve as advance agent for the Secretary and Under Secretary on their visits to his assigned region.
4. Provide immediate response to the needs of the Office of the Secretary, including investigation of special problems or situations.
5. Maintain a comprehensive overview of issues or problems developing in the region; evaluate the impact of Department policy and programs on the people, economy and resources of the region; and keep the Secretary informed on the status of these matters.

6. Conduct regional briefings for the Secretary and Under Secretary.
7. Promote public understanding and acceptance of Department programs and activities.
8. Represent the Secretary by making speeches and conducting award ceremonies and dedications.
9. Act as liason with State governors, natural resource agencies, Senators and Congressmen, special interest groups, and other governmental agencies.
10. Represent the Department on various government committees, such as the Federal Executive Board, as required.
11. Maintain communication with, and provide assistance as required, for other Department officials such as:
 - a. Assistant Secretaries
 - b. Bureau chiefs
 - c. Secretariat staff members
12. Attend regional bureau briefings, and maintain contact with bureaus on operations and specific issues.
13. Serve on Task Forces organized to address specific high priority problems and projects.
14. Supervise the processing and review of environmental impact statements.
15. Coordinate all regional communications activities for the Department.
16. Coordinate all regional Departmental activities and functions involving more than one bureau.
17. Maintain membership on the River Basin Commissions, and coordinate with Regional Planning Officers.

The responsibility of Special Assistants are primarily of a staff nature, although some directive delegation is allowed for. Generally, line authority and technical expertise is channelled from the Secretary, through the Assistant Secretaries, through the agency and bureau chiefs, directly to the field offices. Occurences of such delegations are few, however, as operational changes in the national parks, fisheries, and

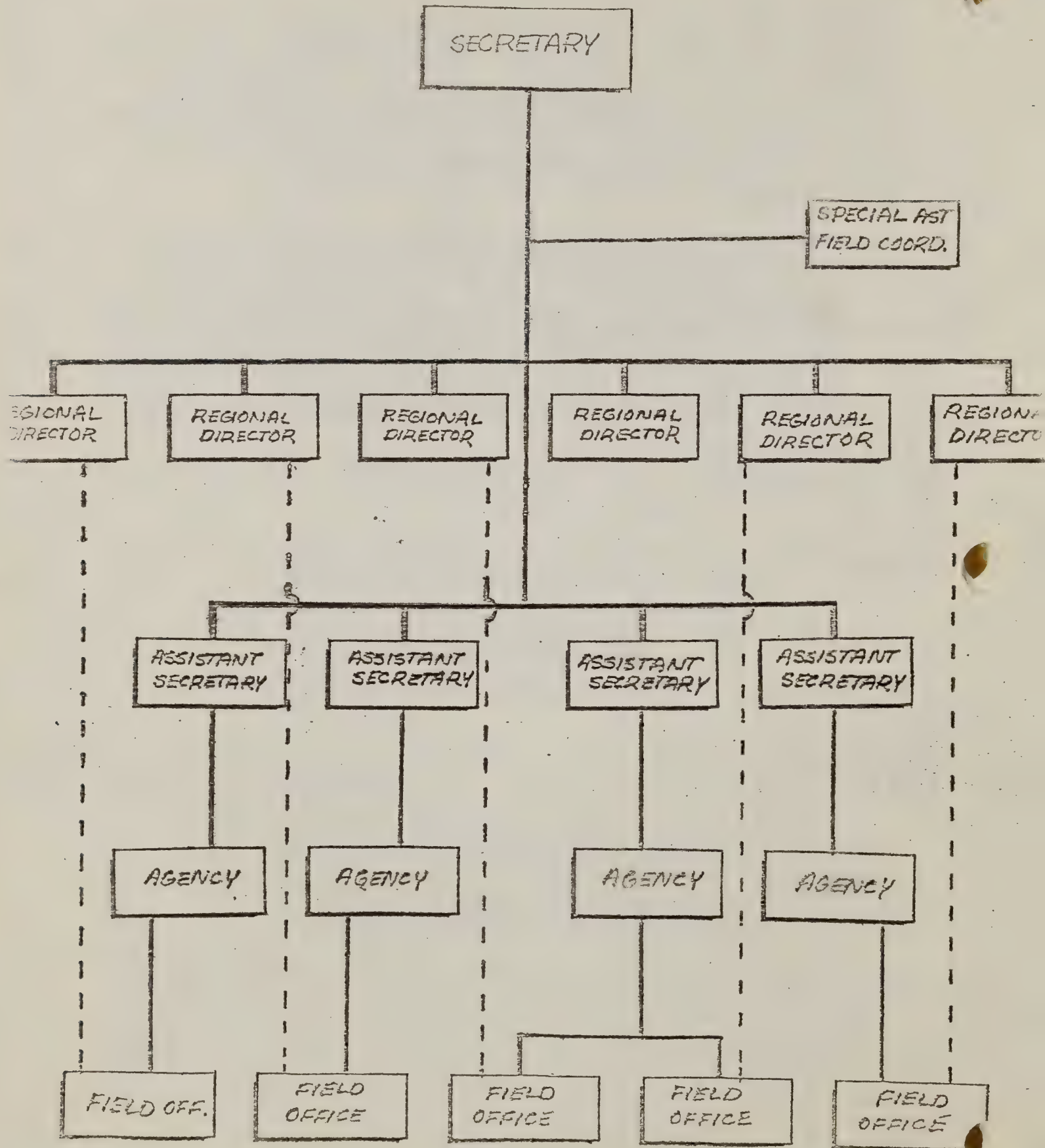
wildlife and outdoor recreation bureaus are relatively rare. (These three agencies comprise the bulk of the 1400 offices.) Hence, while management reporting is made through Washington, the information concerning local population interest, legislative and jurisdictional problems, etc., is channelled to the field offices' regional directors, respectively. The latter occurrences are also rare, as evidenced by the size of Special Assistant (regional directors) staffs.

III. Summary

Obviously, a consolidation/co-location effort in Interior is impossible since national parks, fisheries reserves, Indian reservations, etc. are immobile. However, the effects of consolidation through a regional breakdown has given the Secretary a more socially and legislatively responsive department. Moreover, in anticipation of the re-emphasis of FAR and the Rural Development Act in the years and months to come, the reorganized Interior will find less difficulty in sliding into conformance.

The following chart shows the flow of responsibility for Interior's field operation:

DEPARTMENT OF THE INTERIOR



———— LINE FUNCTION

----- POLICY AND PROGRAM COORDINATION FUNCTION

ALTERNATIVE I: COST ANALYSISONE-TIME COSTS:

¹ Total Cost of Office Relocations	\$ 380,400
² Total Cost of Personnel Relocations	8,544,510
TOTAL ONE-TIME COST	\$ 8,924,910

ANNUAL RECURRING COSTS:

³ Additional rental costs	\$ <u>2,130,000</u>
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¹Costs indicated have been derived from the following computations:

Field Structure Offices involved (<i>Exhibit 2, Table 3A</i>)	8,212
Subtract Existing Sites Receiving Relocated Offices (<i>This assumes that co-location of offices takes place into existing SCS sites</i>)	- 3,037
	<u>5,175</u>
Subtract Offices Currently Co-located (<i>Based on Florida model: 51%</i>)	- 2,639
	<u>2,536</u>
Multiply by Average Cost per Office Move (<i>Based on estimates from Office of Plant and Operations</i>)	\$ x 150
TOTAL COST OF OFFICE RELOCATIONS	\$ <u>380,400</u>

²Costs indicated have been derived from the following computations:

Total Personnel involved	34,323
Subtract Part-Time and Intermittent Personnel (<i>Estimated as 20%</i>)	- 6,865
	<u>27,458</u>
Subtract Personnel Associated with Receiving SCS sites (<i>Minus Part-Time and Interm.</i>)	-12,058
	<u>15,400</u>
Subtract Personnel Associated with Currently Co-located Offices (<i>Based on Florida model: 51%</i>)	- 7,854
	<u>7,546</u>
Subtract Personnel not Requiring Compensation for Relocation (<i>Either due to discontinuance of service, proximity to new site, or other reasons: Estimated at 35%</i>)	- 2,641
	<u>4,905</u>
Multiply by Average Cost per Person Relocated (<i>Based on Congressional Record, June 27, 1973, E 4386-4387</i>)	\$ x 1,742
TOTAL COST OF PERSONNEL RELOCATION	\$ 8,544,510

³Costs indicated have been derived from the following computations:

Offices Requiring Re-location (<i>From Footnote 1 above</i>)	2,536
Multiply by Percent moving from Free Space (<i>Based on Florida Model: of 66 offices, 28 would leave free space</i>)	.42
Offices Incurring Additional Rental Costs	1,065
Multiply by Estimated Average Annual Rent per Office (<i>Based on Florida Model</i>)	\$ x 2,000
TOTAL ADDITIONAL RENT INCURRED	\$ 2,130,000

ALTERNATIVE II: COST ANALYSIS

ONE-TIME COSTS:

¹ Total Cost of Office Relocations	\$ 45,000
² Total Cost of Personnel Relocations	2,886,494
³ Alternative I One-Time Costs	8,924,910
TOTAL ONE-TIME COST	\$11,856,404

ANNUAL RECURRING COSTS:

⁴ Additional Rental Costs	\$ 252,000
⁵ Alternative I Annual Recurring Cost	2,130,000
TOTAL ANNUAL RECURRING COST	\$ 2,382,000

¹Costs indicated have been derived from the following computations:

Additional Field Structure Offices Involved (<i>Exhibit 2, Table 3B</i>)	611
Subtract Offices Currently Co-located (<i>Based on Florida Model: 51%</i>)	- 311
	300
Multiply by Average Cost per Office Moved (<i>Based on estimates from Office of Plant and Operations</i>)	\$ x 150
TOTAL COST OF OFFICE RELOCATIONS	\$ 45,000

²Costs indicated have been derived from the following computations:

Additional Personnel Involved	6,504
Subtract Part-Time and Intermittent Personnel (<i>Estimated as 20%</i>)	-1,301
	5,203
Subtract Personnel Associated with Currently Co-located Offices (<i>Based on Florida Model: 51%</i>)	-2,653
	2,550

Subtract Personnel not Requiring Compensation for
Relocation (*Either due to discontinuance of
service, proximity to new site, or other reasons:
Estimated at 35%*)

- 893
1,657

Multiply by Average Cost per Person Relocated (*Based
on Congressional Record, June 27, 1973, E 4386-4387*)
TOTAL COST OF PERSONNEL RELOCATION

\$ x 1,742
\$ 2,886,494

³ Since Alternative II is cumulative from Alternative I, Costs associated
with Alternative I are brought forward.

⁴ Costs indicated have been derived from the following computations:

Additional Offices Requiring Relocation (*From footnote I
above*)

300

Multiply by Percent moving from Free Space (*Based on
Florida Model*)

x .42

Offices incurring additional rental costs

126

Multiply by estimated average annual rent per
office (*Based on Florida Model*)

\$ x 2,000

TOTAL ADDITIONAL RENT INCURRED

\$ 252,000

⁵ Since Alternative II is cumulative from Alternative I, Costs associated
with Alternative I are brought forward.

ALTERNATIVE III: COST ANALYSIS

ONE-TIME COSTS:

¹ Total Cost of Office Relocations

\$ 544,500

² Total Cost of Personnel Relocations

18,543,590

TOTAL ONE-TIME COST

\$ 19,088,090

ANNUAL RECURRING COSTS/SAVINGS:

³ Additional Rental Costs

\$ 3,050,000

⁴ Annual Operational Savings

\$ (1,588,000)

⁵ Annual Personnel Savings

\$ (40,830,000)

TOTAL ANNUAL RECURRING SAVINGS

\$ (39,368,000)

¹ Costs indicated have been derived from the following computations:

Offices Requiring relocation (Total of Alternative I and II)	2,836
Plus Offices relocated as result of Multi-County of counties (Assumed 30 percent, eliminated as per Florida Model: Approximately 9% of offices involved)	794 3,630
Multiply by Average Cost Per Office Moved	\$ x 150
TOTAL COST OF OFFICE RELOCATIONS	\$ 544,500

² Costs indicated have been derived from the following computations:

Personnel Requiring Relocation (total of alternative I and II)	6,562
Plus additional personnel relocated as result of Multi-county Co-location (approximately 10% of all personnel involved)	4,083 10,645
Multiply by average cost per person relocated (Based on Congressional Record, June 27, 1973, E 4386-4387)	\$ x 1,742 \$ 18,543,590

³ Costs indicated have been derived from the following computations:

Offices requiring relocation (from footnote 1 above)	3630
Multiply by percent moving from free space (Based on Florida Model)	.42 1525
Multiply by estimated average annual rent per office (Based on Florida Model)	\$ x 2,000
TOTAL ADDITIONAL RENT INCURRED	\$ 3,050,000

⁴ Costs indicated have been derived from the following computations:

Offices reduced as result of Multi-County Co-location (From footnote 1 above)	794
Multiply by average operating cost per office	\$ x 2,000
ANNUAL OPERATIONAL SAVINGS	\$ (1,588,000)

⁵Costs indicated have been derived from the following computations:

Total Personnel involved (<i>less part-time and intermittent</i>)	32,661
Multiply by estimated 12.5% personnel reduction as a result of multi-county co-location (<i>based on interviews with department officials</i>)	x <u>.125</u> 4,083

Multiply by average annual salary of Personnel involved	\$ x <u>10,000</u>
ANNUAL PERSONNEL SAVINGS	\$ 40,830,000

A Statewide Application: Florida as a Model

I. Summary:

To illustrate the process which must be undertaken to implement co-location, a model has been developed showing the results of different alternatives if applied to a particular State. No one State is really representative of even a major portion of the country. Florida was selected because of the expressed interest of certain key State-level USDA directors in the possibility of co-location in their State, and because it might, therefore, be appropriate for a pilot project.

Actual decisions as to which offices are moved, where, how, and when, will require considerable analysis and on-site investigation with agency and local participation. The movements shown in the Florida model are only illustrative applications of the alternative groups and criteria previously discussed. The results are summarized in the following table:

Summary of Major Cost Estimates For
Three Co-location Alternatives: Florida

	No. of Offices	No. of Sites	No. of Offices Moved (From Current)	No. of People Moved	Cost of Alternative
Current Situation <u>1/</u>	297	201			
Alt. 1: Co-location ASCS/FHA/FCIC/ SCS	297	140	61	198	\$354,066 <u>non-repetitive</u> \$56,000 annual
Alt. 2: Co-location all feasible offices <u>2/</u>	297	134	67	218	\$389,806 <u>non-repetitive</u> \$56,000 annual
Alt. 3: Eliminate Marginal offices	261	108	93	348	\$620,166 <u>non-repetitive</u> (\$1,378,000)* annual

*Savings

- 1/ Source: Compiled from Form AD-380 for State of Florida, on file Office of Plant and Operations
- 2/ In the Florida case, this alternative proved to have only marginal effect on the overall configuration. The map would be identical to Map 2 with the exception of six offices.

II. Background:

Background Data on USDA Field Structure in Florida

A. Field Offices below State/District level^{1/}

<u>Agency</u>	<u>Offices</u>	<u>Personnel</u>
AMS	7	27
APHIS	29	138
ARS	3	9
ASCS	62	444
ES	85	528
FCIC	2	2
FHA	27	107
FNS	7	38
FS	10	122
SCS	65	177
Total	297	1592

Counties 67

Total office sites 201

Cities with offices.....96

Cities with only one office.....20

Cities with over one office.....76

Cities with all offices at same address...20

Cities with over one office at same address...35

Cities with all offices at different address (does not include single location cities).....21

B. Cost analysis of present field structure^{1/}

1. Total space reported (includes storage and demonstration space) 451,747 sq. ft.

2. Paid space 102,623 sq. ft.

3. Rental paid \$212,761

4. Cost per sq. ft. for paid space \$1.76

5. Type of rentals

Agency free agreement	133
Agency lease	90
GSA lease	32
GSA space	27
Post office	15
	<u>297</u>

6. Percentage of space used by agency

ES	66%
FS	4%
ASCS	9%
SCS	6%
APHIS	5%
Balance	<u>10%</u>
	100%

C. Field offices in cities of over 50,000 population 1/2/

<u>City</u>	<u>Offices</u>
Pensacola	ES (2) APHIS
Tallahassee	ASCS, APHIS (4), ES, FHA, FS, (3), SCS
Jacksonville	AMS (2), ASCS, APHIS (3), ES, FNS, SCS (2)
Gainesville	ASCS, FHA, ES, FNS, SCS
Orlando	ASCS, APHIS (2), ES (2), FHA, FNS, SCS (2)
Tampa	APHIS, ES, FNS, SCS (2)
Clearwater	---
St. Petersburg	---
West Palm Beach	ASCS, ES, SCS
Ft. Lauderdale	---
Hollywood	---
Hialeah	---
Miami Beach	AMS, APHIS (6), ES

1/ Form(s) AD-380 "Report of space use by building"

2/ U.S. Census, 1970

D. Map 1 shows the current location of USDA field offices in Florida. Individual dots represent single office units. Circled numbers represent co-located offices and the number of offices in each co-location.

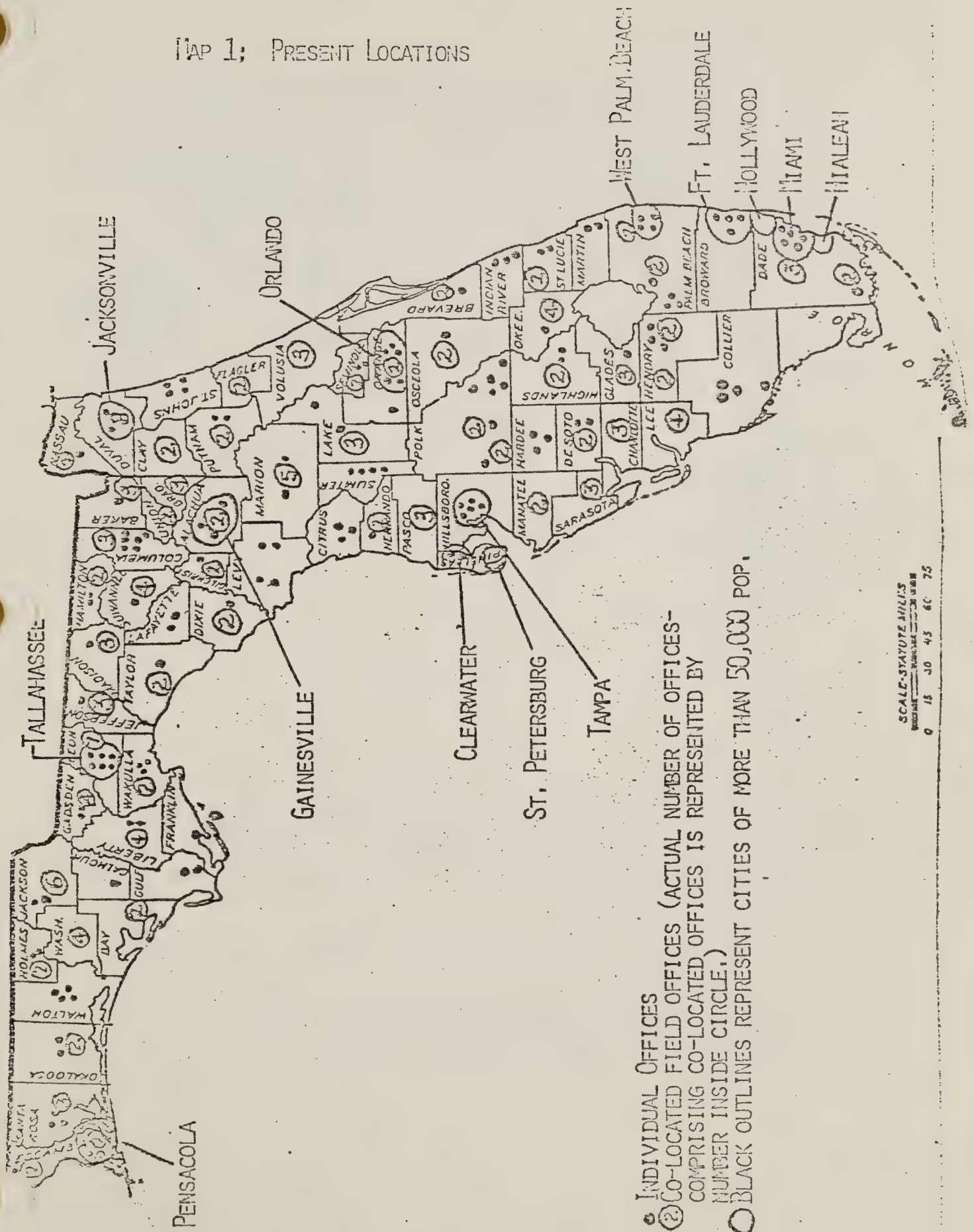
In Map 1 the field structure shows the following degree of co-location.

Agency Field Structure	Number of Offices	Co-located with at least one other Office	Percent of Co-location
ES	85	43	51%
FHA	27	13	48%
ASCS	62	43	69%
FS	10	0	0
SCS	65	35	54%

Agency Field Structure	Number of Offices	Co-located with at Least one other Office	Percent of Co-location
APHIS:			
PPA	23	8	35%
VA/AH	1	1	100%
MPI	4	4	100%
AQI	1	0	0
AMS:			
Marketing office	2	1	50%
Fruit & Veg. Inspt.	5	1	20%
FNS	7	2	29%
FCIC	2	0	0
ARS	3	0	0
	<u>297</u>	<u>151</u>	<u>51%</u>

There are USDA offices at 201 different sites in Florida.

Map 1: PRESENT LOCATIONS



III. Alternative I:

Map 2 shows how the Alternative I grouping of all ASCS/FHA/SCS/FCIC offices, co-located wherever possible, would affect the configuration of Florida offices. The configuration on this map shows the maximum co-location possible involving the four agencies and does not include such factors as availability of space or political and legal ramifications. Under this alternative, there would be field offices at 140 sites.

In this map the agencies show the following degree of co-location:

<u>Agency</u>	<u>Offices</u>	<u>Offices</u>	<u>Co-location</u>
		<u>Co-located</u>	<u>Percent</u>
ES	85	43	51%
ASCS	62	58	93%
SCS	65	63	97%
FHA	27	27	100%
APHIS:			
PPQ	23	8	35%
VS/AH	1	1	100%
MPI	4	4	100%
AQI	1	0	0%
AMS:			
Market Office	2	1	50%
Fruit Inspt.	5	1	20%
FS	10	0	0%
FNS	7	2	29%
FCIC	2	1	50%
ARS	3	0	0%
TOTAL	297	209	70%

As can be seen, the overall percentage of co-location could be increased from 51 percent to 70 percent by co-locating these four agencies, assuming that space is available and that co-location of these offices would not disrupt a current co-location. This represents a 96 percent co-location of the four agencies involved.

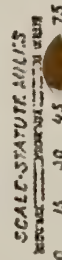
A total of 61 offices would be moved and 305 people affected.

A basic cost analysis of the co-location efforts shown on Map 2 indicates a minimum estimated non-repetitive cost of \$354,066 and an annual cost of \$56,000 to effect the move of 61 offices. The cost breakout is as follows:

Alternative I -- Major Cost Estimates

Number of offices to be moved	61	
Cost per office move	<u>x\$150</u>	
Total cost for office move		9,150
Number (average 5 persons per office) of people in 61 offices	305	
Est: number not moving	<u>-107</u>	
People to be moved	198	
Cost per move	<u>x\$1,742</u>	
Cost to move people		<u>\$344,916</u>
Total non-repetitive costs		\$354,066
Annual Costs:		
Number moving from free space	28	
Annual estimated rental	<u>x\$2,000</u>	
Additional rent		\$56,000

CO-LOCATION OF ALL FEASIBLE ASCS/FHA/SCS/FCIC



IV. Alternative II:

Alternative II provides for other agencies which might be co-located in addition to the four major candidates discussed above. However, in Florida only six additional offices would appear to be eligible for co-location, a marketing field office of AMS and five FNS field offices not already co-located. This would increase the number of offices affected to 67 and the number of people to 335. The additional non-repetitive cost of this alternative would be \$35,740, which is derived by moving six offices at \$150 and 20 employees at \$1,742 each. There would be no increased annual cost, as these offices currently pay rent.

V. Alternative III:

Maps 3A and 3B show the configuration of field offices if an office elimination were to be effected. For the purpose of this exhibit all ASCS/SCS/FHA/FCIC and FNS offices in the 19 counties with the smallest rural (farm and non-farm) population have been combined into multi-county offices. In all cases in this combination, offices were combined so that clientele would not be forced to travel more than one county. This combination would affect 36 offices--15 ASCS, 3 FHA, 16 SCS and 2 FNS offices. Rural population was used as a convenient, but admittedly over-simplified measure of workload.

Nineteen Smallest Counties (Rural Pop.)
Transferring ASCS/SCS/FHA/FCIC/FNS

<u>County</u>	<u>Office</u>	<u>Move to County</u>
Baker	ASCS	Columbia
	SCS	Columbia
	FHA	Columbia
Union	ASCS	Columbia
Hamilton	ASCS	Columbia
	SCS	Columbia
Dixie	ASCS	Levy
	SCS	Levy
Gilchrist	ASCS	Levy
	SCS	Levy
Glades	ASCS	Charlotte
Hendry	ASCS	Charlotte
	SCS (2)	Charlotte
	FNS	Charlotte
Desoto	ASCS	Charlotte
	SCS	Charlotte
	FNS	Charlotte
Lafayette	ASCS	Madison
Taylor	ASCS	Madison
	SCS	Madison
Jefferson	ASCS	Madison
	SCS	Liberty

<u>County</u>	<u>Office</u>	<u>Move to County</u>
Liberty	SCS	Liberty
Wakulla	ASCS	Liberty
	SCS	Liberty
Calhoun	ASCS	Liberty
Flagler	SCS	Putnam
Broward	SCS	Palm Beach
Washington	SCS	Holmes
	ASCS	Holmes
	FHA	Holmes
Okeechobee	ASCS	St. Lucie
	FHA	Keep (tri-county office now)
	SCS (2)	St. Lucie
Franklin	(no ASCS/SCS/FHA	
Gulf	FCIC/FNS offices)	

Estimated Cost Alternative III

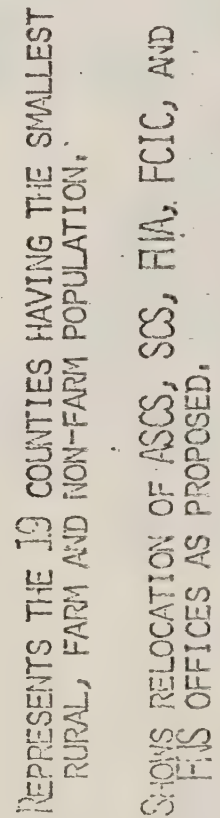
Non-repetitive cost: (Alternatives I and II)	\$389,806
Office moves for Alternative III:	
26 @ \$150 per move	\$3,900
Number of employees affected	
Alt. III: 130 @ \$1,742	+ \$226,460
Total additional non-repetitive cost	+ \$230,360
Total non-repetitive Alternatives I, II, III	\$620,166

Annual Costs

Alternative III reduction of 34 offices @ \$2,000	(\$68,000)
Total employees affected by multi-county consolidations: (93 offices moved)	465
Number fewer people required through increased efficiency of multi-county consolidation	x .3
(465 X .30%)	140
Average salary per employee	x \$10,000
Annual salary savings	+ (\$1,400,000)
Number moving from free space	45
Average rental cost per office	x \$2,000
Additional rental costs incurred as result of moves	+ \$90,000
Total annual cost (savings)	(\$1,378,000)

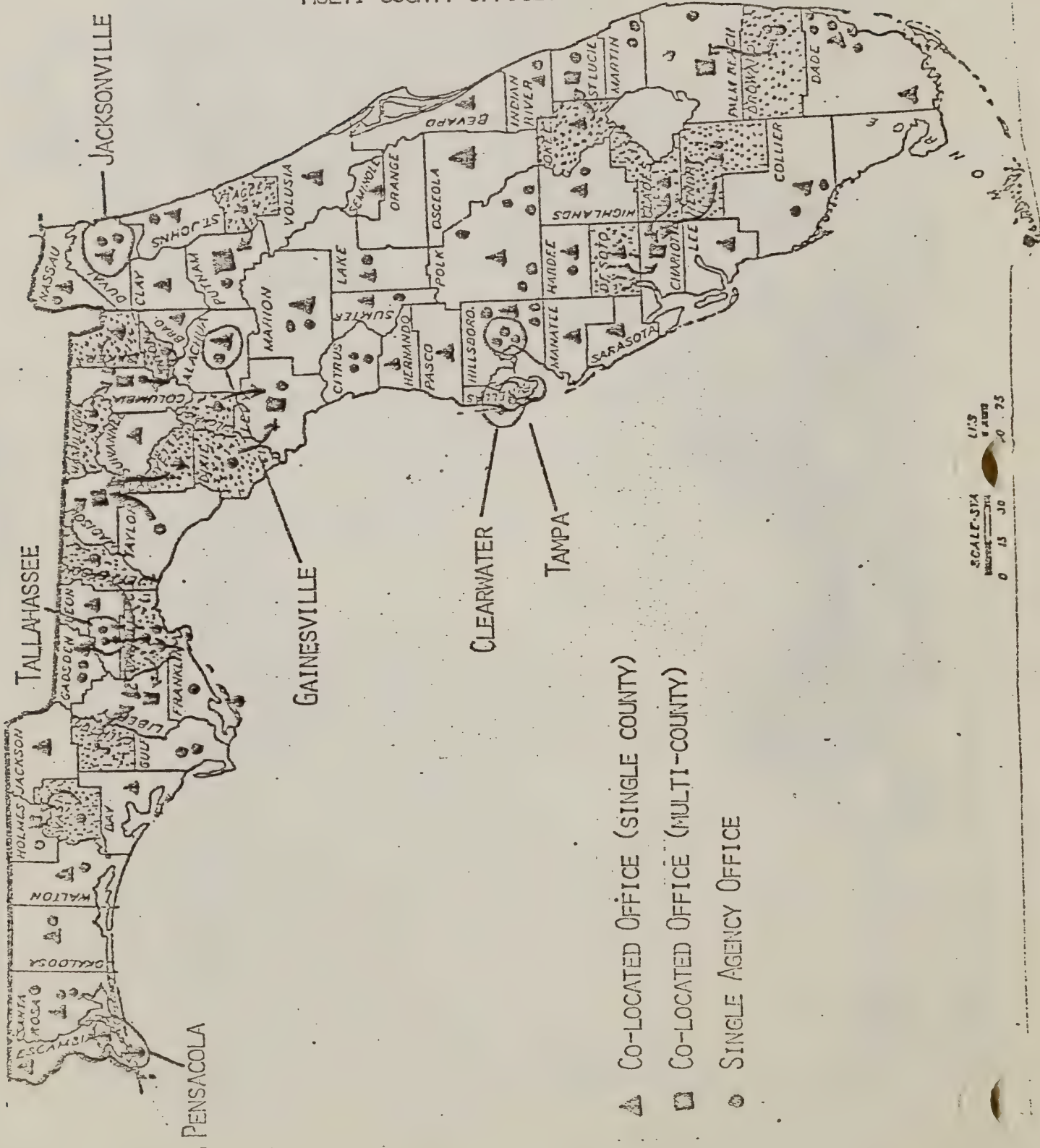
1/ Eight office moves already computed in Alternatives I and II -- Two offices (FHA in Okeechobee and SCS in Liberty not moved.)

Map 3A



SCALE - SYNTAX MILLS

APPLICATION OF ALTERNATIVE III
CO-LOCATION OF ALL FEASIBLE
ASCS/FHA/SCS/FCIC/FIS OFFICES
PLUS COMBINING OF MARGINAL OFFICES IN
MULTI-COUNTY OFFICES



IMPLEMENTATION OF CO-LOCATION

If a renewed, aggressive co-location effort is begun, complete agency participation must be ensured. The following approach is recommended:

Step 1: (a) The co-location plan is presented to the Under Secretary for approval or revision, as appropriate. Necessary revisions are made if so indicated by the Under Secretary, at which time the presentation is submitted to the Secretary for approval.

(b) Upon the Secretary's approval of the plan, all Assistant Secretaries, key agency and staff office heads are notified of the project, and informed of its importance, implications it will have on the Department's field entities, and steps to be taken to implement the plan within the agencies.

(c) The Project Director is then designated by the Assistant Secretary for Administration to be in charge of implementing all aspects of the plan. The Project Director will work closely with the agencies, assuring them of support by the Secretary.

Step 2: (a) The co-location action plan must be finalized and approved by the Under Secretary and, subsequently, the Secretary, before further steps are taken. The plan itself must include provisions for informing the public of the changes to be made in the field structure and the positive effect of such changes on the services and programs the Department offers.

(b) In addition, a Steering Committee must be formed, headed by the Under Secretary and made up of key staff office and agency officials appointed by the Under Secretary. This Committee will be a policy-making body as well as a sounding board for the Project Director and the Task Force.

(c) Task Force members will be chosen as follows:

5 to 6 staff office representatives

5 to 6 program agency representatives

1 communications representative

(d) The Secretary will issue a memo to agencies with field structures, emphasizing the need for renewed effort for co-location. At the same time, proper notification must be given to key congressional and OMB people.

Step 3: GSA must be made aware of the USDA co-location effort, so that attention is given to lease expirations in field offices. P&O's Property Management Staff will act as liaison to GSA in order to coordinate lease expiration dates with office relocations.

Step 4: State Administrative Committees will be notified of the renewed co-location effort. It must be emphasized to these committees that their role in co-location within the states will be more important than ever, and that complete cooperation from the Committees is expected if the project is to be a success.

Step 5: A test state or states such as Florida and Georgia should be carried through to completion as early as possible in the implementation phase. In order to use the pilot concept, a full co-location plan for the pilot state should be developed. State Administrative Committees should meet with the Secretary to initiate such a project and then with the task force to formulate guidelines, work plans and gather workload data. The preliminary action plan should then be completed, finalized, and issued, initiating implementation of the pilot co-location phase.

Step 6: Upon completion of the pilot co-location, the national action plan is finalized, based on findings and recommendations offered by the Project Director as established through the work of the task force and the State Administrative Committees on the test project. The action plan will be expanded to a national basis at this time, using the guidelines developed from the pilot effort.

PRESENTATION TO SECRETARY BUTZ

9/28/73

CO-LOCATION OF USDA FIELD OFFICES

1. BACKGROUND & OBJECTIVES
2. METHODOLOGY
 - A. SCOPE OF STUDY
 - B. RATIONALE
 - C. ASSUMPTIONS
 - D. ANALYTIC PROCESS
3. GENERAL CONCLUSIONS
4. STATISTICS & COMPUTATIONS
5. BENEFITS & PROBLEMS ASSOCIATED WITH CO-LOCATION
6. RECOMMENDATIONS
7. IMPLEMENTATION PLAN
8. QUESTIONS TO BE ANSWERED FROM PILOT EFFORT

PURPOSE OF STUDY

- * EMPLOYMENT CEILING HAS FORCED DEPARTMENT TO CAREFULLY EVALUATE STAFF NEEDS, ESPECIALLY IN THE FIELD
- * FIELD OFFICE STRUCTURE OUT-DATED
 - DEVELOPED INDEPENDENTLY WHEN NUMBER OF FAMILY FARMS SIGNIFICANTLY LARGER THAN TODAY
 - COMMUNICATION AND TRANSPORTATION SYSTEMS WERE NOT AS ADVANCED AS THEY ARE TODAY
 - CAUSES CONFUSION AMONG SOME CUSTOMERS
 - EXPENSIVE TO MAINTAIN
- * IMPROVE DELIVERY OF SERVICES
- * NECESSARY TO PURSUE FURTHER CONSOLIDATION AS SOON AS POSSIBLE
 - AFTER APPROPRIATION BILL
 - BEFORE UPCOMING BUDGET SESSION
- * POLITICAL CONSIDERATIONS AFFECT TIMING OF IMPLEMENTATION
 - CRITICAL RELATIONSHIP BETWEEN PASSAGE AND SIGNING OF APPROPRIATIONS BILL

BACKGROUND

- * CORRECTIVE MEASURES APPLIED TO FIELD SYSTEM
SECRETARY'S MEMORANDUM OF 1962
 - ESTABLISH CO-LOCATION RESPONSIBILITY WITH
STATE ADMINISTRATIVE COMMITTEE
- * EFFECTS OF CORRECTIVE MEASURES
SOME DEGREE OF CO-LOCATION WHICH:
 - LACKS UNIFORMITY
 - LACKS COORDINATION
 - DOES NOT FULLY MEET OBJECTIVES
 - HAS NOT BEEN NATIONAL PROGRAM

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DEPARTMENTAL OBJECTIVES

- * ESTABLISH FIELD OFFICE STRUCTURE FOR THE 1970's & 1980's
- * REDUCE PERSONNEL POSITIONS FOR USE IN OTHER PRIORTIY AREAS
- * PROVIDE "ONE-STOP" SERVICE FOR SIMILAR CLIENTS
- * REDUCE DUPLICATED OVERHEAD COSTS

STUDY METHODOLOGY

- * STUDY PLANNED WITHIN OFFICE OF SECRETARY
- * DEFINED SCOPE OF STUDY
- * VISITED FIELD OFFICES
- * STUDIED EACH FIELD STRUCTURE IN DEPTH
- * CONDUCTED DISCUSSIONS WITH STAFF OFFICE PERSONNEL
- * STUDIED FIELD STRUCTURES OF OTHER FEDERAL AGENCIES
- * EXAMINED CRITERIA FOR GROUPING
 - FUNCTIONAL
 - CLIENTELE
 - GEOGRAPHIC
- * APPLIED ALTERNATIVES TO MODEL STATE

SCOPE OF STUDY

USDA FIELD OFFICES BY AGENCY ^{1/}

Agency	(1) Total Offices	(2) Regional Sub-regional ^{2/} State Offices	(3) Local Offices	(4) Resident Stations ^{3/}	(5) Sites Pre- determined ^{4/} by Function	(6) Local Offices Flexible for Co-location less Coop., Labs, On-site
	(1) - (2)		(3) - (4 + 5)			
AMS	507	227	280	-	144	136
ARS	212	33	179	-	179	-
ASCS	2878	50	2828	-	6	2822
APHIS	1033	129	909	345	383	181
CEA	4	3	1	-	1	-
ERS	109	-	109	-	109	-
ES	3570	52	3518	-	3513	-
FHA	2062	42	2020	-	1	2019
FCIC	435	28	407	67	5	335
FNS	266	5	261	-	-	261
FAS	1	1	-	-	-	-
FS	1032	148	884	-	884	-
PASA	14	13	1	-	1	-
REA	171	-	171	171	-	-
SCS	3111	50	3061	-	24	3037
STS	44	44	-	-	-	-
ADHOW	31	26	33	-	1	32
	15,515	853	14,662	583	5,256	8,623

1/ 16 agencies and Departmental Administration with multiple field structures, 67 in total

2/ Regional office - geographic area consisting of two or more States with line authority for its jurisdiction

Sub-regional office - geographic area smaller than a region but larger than one State
State office - office which administers program within State boundary

3/ The home of an employee which is used as his duty station; also refers to a duty station with no fixed address.

4/ Inspection points such as ports of entry, packing plants, auction houses

SCOPE OF STUDY

TOTAL USDA FIELD UNITS	15,500
REGIONAL & SUB-REGIONAL OFFICES	— 800
	<hr/>
TOTAL LOCAL LEVEL OFFICES	14,700
RESIDENT STATIONS	— 600
	<hr/>
	14,100
SITES PRE-DETERMINED BY FUNCTION, COOPERATIVE OFFICES	— 5,300
	<hr/>
LOCAL OFFICES FLEXIBLE FOR CO-LOCATION	8,800

3

USDA FIELD STRUCTURES BY AGENCIES

<u>AGENCY</u>	<u>NO. OF FIELD STRUCTURES</u>
AMS	19
APHIS	12
ARS	1
ASCS	5
CEA	1
ERS	6
ES	1
FAS	1
FCIC	2
FHA	2
FNS	1
FS	3
PSA	1
REA	1
SCS	2
SRS	1
DEPARTMENTAL HEADQUARTERS	
B&F	1
OGC	2
INTERGOV. AFF.	2
OIG	2
OIS	1
	<hr/>
TOTAL	67

EXAMPLES OF

MULTI-FUNCTIONAL NATURE OF FIELD OFFICES

AGRICULTURAL PRODUCTION	RURAL DEVELOPMENT	RESEARCH	MARKETING	REGULATORY	INSPECTION & GRADING
ASCS	REA				
FHA	FHA				
FCIC					
SCS	SCS				
		ARS			
			AMS	AMS	AMS
			CEA	CEA	
			P&SA	P&SA	
				APHIS	APHIS

CONCLUSIONS

* CO-LOCATION ACROSS COUNTY LINES WILL:

- ✓ ACCRUE SIGNIFICANT SAVINGS
 - THROUGH ECONOMIES OF SCALE
 - REDUCTION OF PERSONNEL
 - BY FACILITATING FUNCTIONAL INTEGRATION
- ✓ PROVIDE FOR IMPROVED CLIENTELE SERVICE
 - BY FACILITATING FUNCTIONAL INTEGRATION
 - BY FACILITATING A WIDER RANGE OF TECHNICAL EXPERTISE
- ✓ PROVIDE POTENTIAL FOR INCREASED ADMINISTRATIVE EFFICIENCIES

FLORIDA MODEL

- * SELECTED FLORIDA BECAUSE OF STATE DIRECTOR INTEREST
- * ANALYZED CURRENT SITUATION
- * TESTED VARIOUS ALTERNATIVES
- * IDENTIFIED GENERAL PROBLEM AREAS
- * EXAMINED SERVICE IMPLICATIONS
- * DEVELOPED COST ESTIMATES FOR FLORIDA
- * ADAPTED COST COEFFICIENTS FOR NATIONAL APPLICATION

NOTE

THE FOLLOWING COST AND SAVINGS ESTIMATES ARE
CONSERVATIVE

IMPLICATIONS: ESTIMATED ONE - TIME COST

	<u>LOW</u>	<u>EXPECTED</u>	<u>HIGH</u>
* NUMBER OF OFFICES TO BE MOVED	2,700	3,600	4,500
AVERAGE COST PER OFFICE MOVE	x\$ <u>125</u>	x\$ <u>150</u>	x\$ <u>175</u>
COST OF MOVING OFFICES	\$ 337,500	\$ 540,000	\$ 787,500
* NUMBER OF PEOPLE REQUIRING COMPENSATION FOR MOVEMENT OF HOUSEHOLD	8,250	11,000	13,750
AVERAGE COST PER HOUSEHOLD MOVED	x\$ <u>1,600</u>	x\$ <u>1,700</u>	x\$ <u>1,800</u>
COST OF RELOCATIONS	+\$ <u>13,200,000</u>	+\$ <u>18,700,000</u>	+\$ <u>24,750,000</u>
* ESTIMATED TOTAL ONE-TIME COST	<u>\$13,537,500</u>	<u>\$19,240,000</u>	<u>\$25,537,500</u>
* RANGE OF ONE-TIME COST	\$14 - 25 MILLION		

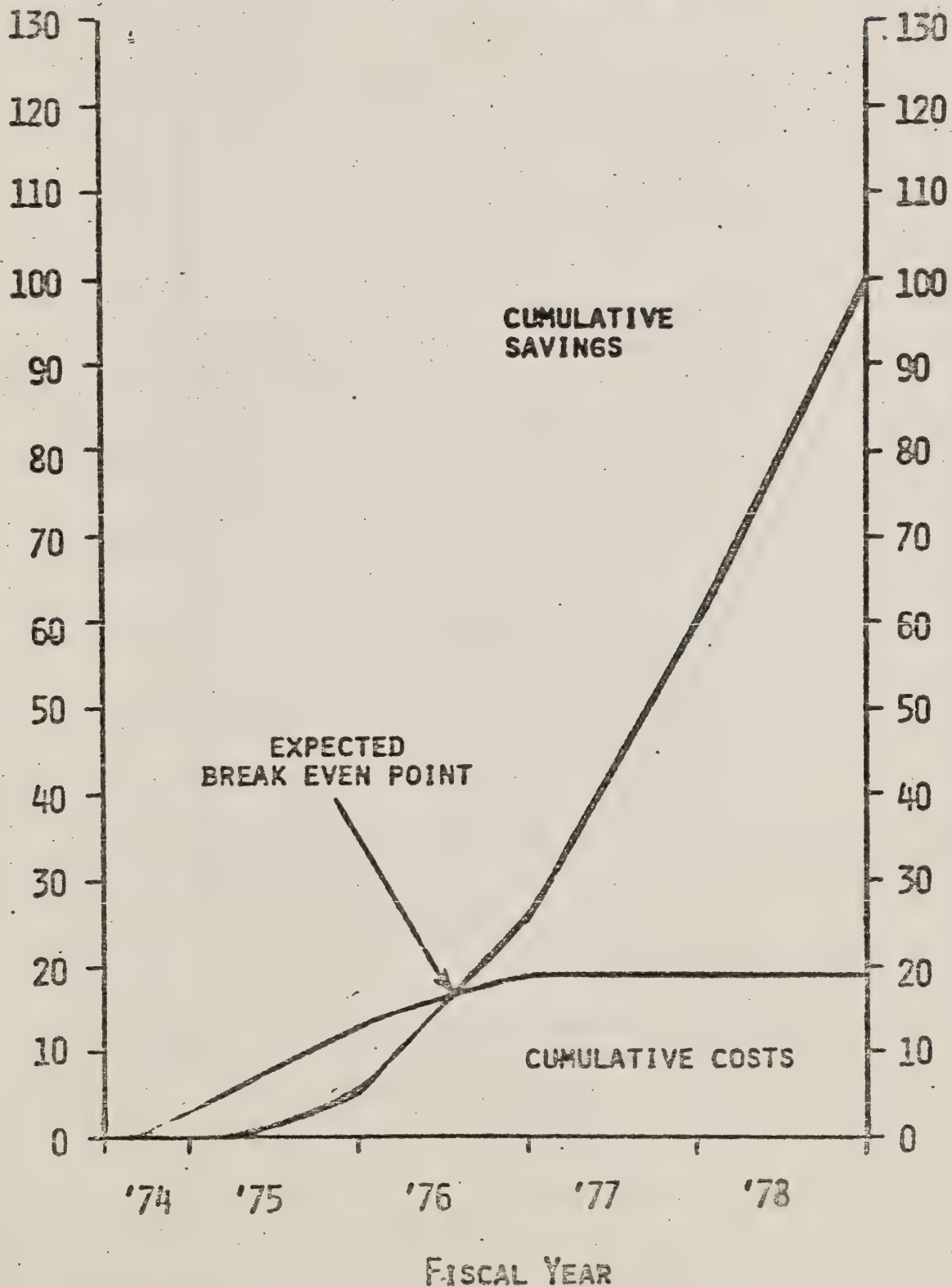
IMPLICATIONS - ESTIMATED ANNUAL SAVINGS

	<u>LOW</u>	<u>EXPECTED</u>	<u>HIGH</u>
* NO. OFFICES MERGED WITH OFFICES OF SAME AGENCY			
AVERAGE COST OF OPERATING AN OFFICE	600	800	1,000
ANNUAL OPERATIONAL SAVINGS	$\times \$1,750$ \$1,050,000	$\times \$2,000$ \$1,600,000	$\times \$2,250$ \$2,250,000
* NO. PEOPLE IN OFFICES TO BE CONSOLIDATED	33,000	33,000	33,000
PERCENT PERSONNEL REDUCTION POSSIBLE	$\times .10$	$\times .125$	$\times .15$
NO. FEWER PEOPLE REQUIRED	3,300	4,125	4,950
AVG. ANNUAL SALARY + BENEFITS	$\times \$9,500$	$\times \$10,000$	$\times \$10,500$
ANNUAL PERSONNEL SAVINGS	+31,350,000	+41,250,000	+51,975,000
* NO. OFFICES MOVING TO RENTED SPACE	1,000	1,500	2,000
AVERAGE ADDITIONAL RENT	$\times \$1,750$	$\times \$2,000$	$\times \$2,250$
ANNUAL ADDITIONAL RENT COST	-1,750,000	-3,000,000	-4,500,000
ESTIMATED TOTAL ANNUAL SAVINGS	<u>\$30,650,000</u>	<u>\$39,850,000</u>	<u>\$49,725,000</u>
RANGE OF ANNUAL SAVINGS	\$30 - 50 MILLION		

USDA FIELD CO-LOCATION STUDY

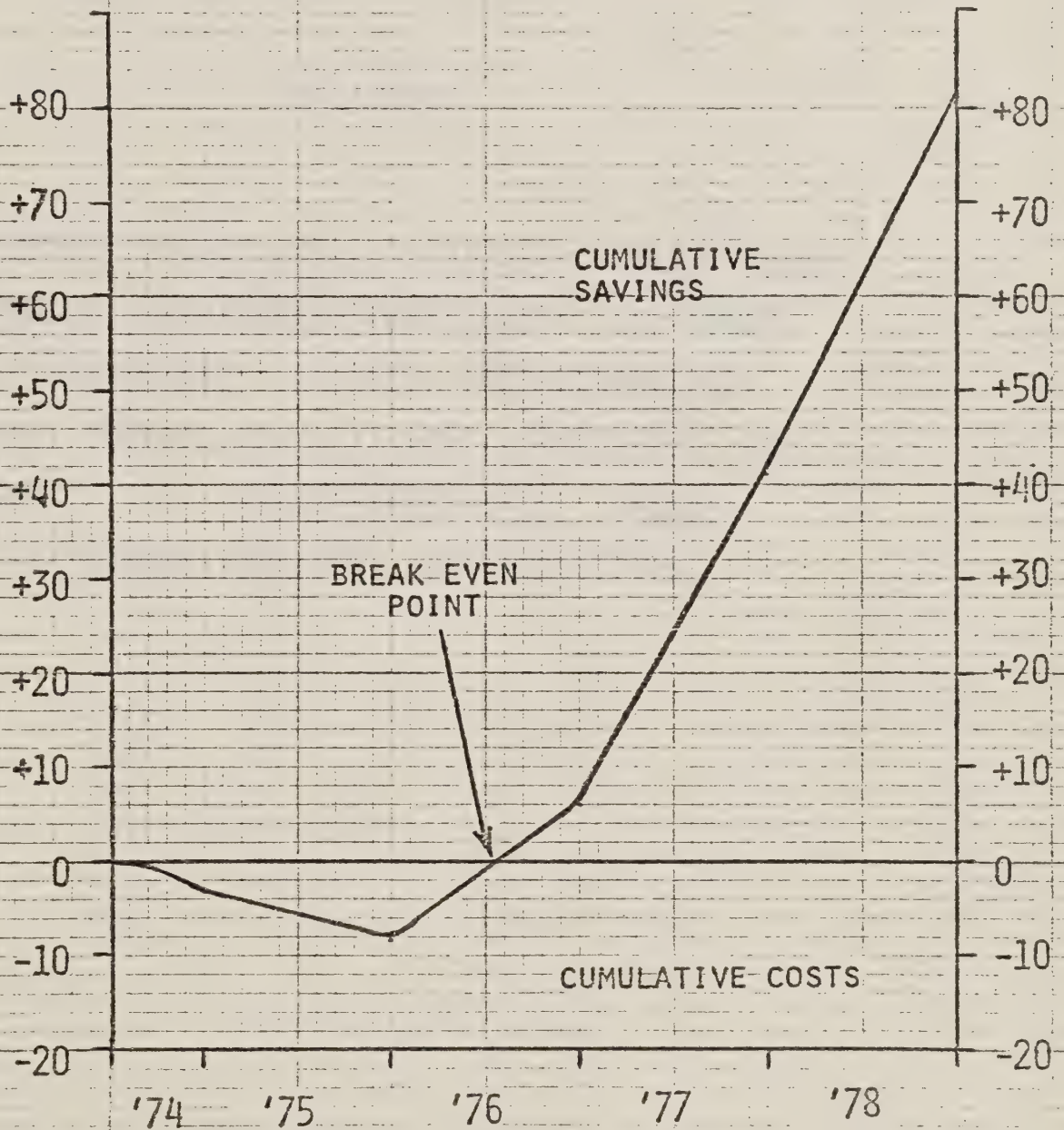
\$ IN MILLIONS

COST/SAVINGS IMPLICATIONS



ESTIMATED COST/SAVINGS

\$ IN MILLIONS



FISCAL YEAR

CONCLUSION

EVEN WITH SUBSTANTIAL VARIATION FROM ESTIMATED FIGURES, CO-LOCATION MAKES SENSE. AT WORST, THE DEPARTMENT WILL BREAK-EVEN FINANCIALLY WHILE STREAMLINING ITS FIELD STRUCTURE. AT BEST IT WILL REALIZE SUBSTANTIAL SAVINGS IN PERSONNEL POSITIONS AND EXPENDITURES.

IMPLICATIONS - OVERALL

* TOTAL FACILITIES INVOLVED	8,800	
FACILITIES TO BE ELIMINATED	<u>- 800</u>	
FACILITIES REMAINING		8,000
* CURRENT NUMBER OF LOCATIONS	4,500	
LOCATIONS TO BE ELIMINATED	<u>2,300</u>	
LOCATIONS REMAINING		2,200
* ESTIMATED PERSONNEL REDUCTION		4,125
* ESTIMATED ONE-TIME COST	14 - 25 MILLION	
* ESTIMATED ANNUAL SAVINGS	30 - 50 MILLION	

AND IMPROVED ONE-STOP SERVICE

BENEFITS

* SERVICE EFFECTIVENESS:

- ✓ PERMIT FULLER RANGE OF SERVICES
 - REDUCE CLIENT TRAVEL TIME IN MANY CASES
 - INTEGRATE MUTUALLY SUPPORTIVE PROGRAMS
 - PERMIT FULLER RANGE OF TECHNICAL EXPERTISE AVAILABLE AT ONE SITE (GENERALIST VS. SPECIALIST)
 - ENHANCES EFFECTIVENESS OF EACH EMPLOYEE THROUGH BROADER KNOWLEDGE OF USDA PROGRAMS
 - CENTRALIZES INFORMATION FLOW
 - CENTRALIZES EQUIPMENT USE
 - COMPUTER TERMINALS
 - WATS LINE
 - FILES INTEGRATION

BENEFITS (CONTINUED)

* ECONOMY:

- ✓ REDUCE PERSONNEL COSTS
 - SHARE CLERICAL AND SUPPORT PERSONNEL
 - REDUCE ADMINISTRATIVE COSTS

* MANAGEMENT EFFICIENCY:

- ✓ FUNCTIONAL INTEGRATION POTENTIAL
 - REDUCTION OF PROGRAM/SERVICE OVERLAP
 - CENTRALIZATION AT THE LOCAL LEVEL

PROBLEMS

* POLITICAL:

- ✓ DISRUPTION OF COUNTY COMMITTEE
- SOME CLIENTS DISADVANTAGED
- INSTITUTIONAL OBJECTIONS

* FUNCTIONAL:

- ✓ HIGH ONE-TIME COST
- DISRUPTION OF WORK FLOW
- SPACE LIMITATIONS
- MANAGEMENT STRUCTURE NEEDED

* EMPLOYEE

- GRIEVANCES
- MORALE
- RESISTANCE TO CHANGE
- NEED RETRAINING

RECOMMENDATIONS

* CO-LOCATION BE UNDERTAKEN AND DIRECTED TOWARD:

- CO-LOCATION ACROSS COUNTY LINES
- FUNCTIONAL INTEGRATION

* PRIMARY CANDIDATES FOR CO-LOCATION:		NO OF	
MOST COUNTY-LEVEL OFFICES OF		<u>OFFICES</u>	<u>PERSONNEL</u>
ASCS	FHA		
FCIC	SCS	8,212	27,500

* ADDITIONAL CANDIDATES FOR CO-LOCATION:

SOME LOCAL OFFICES OF

AMS	FNS		
APHIS	OGC	<u>611</u>	<u>5,200</u>
ASCS(MGT)	OIG	8,823	32,700

* IMPLEMENTATION START ON A PILOT BASIS:

- TWO STATES
- FLORIDA
- GEORGIA

IMPLEMENTATION PLAN

COMPLETED BY:

1. PRESENT PLAN TO UNDER SEC. & SEC. --REVISE AS NECESSARY & OBTAIN APPROVAL 10/5/73
2. INFORM ASST. SECS. & KEY AGENCY & STAFF OFFICE HEADS 10/16/73
3. SELECT PROJECT DIRECTOR 10/23/73
4. FINALIZE ACTION PLAN (INCLUDING PUBLIC INFORMATION STRATEGY) WITH UNDER SEC. & SEC. 10/29/73
5. ESTABLISH DEPARTMENTAL STEERING COMMITTEE 10/29/73
6. IDENTIFY TASK FORCE MEMBERS 10/29/73
 - PROGRAM AGENCY REPRESENTATIVES (5-6)
 - STAFF OFFICE REPRESENTATIVES (5-6)
 - COMMUNICATIONS REPRESENTATIVE (1)
7. PREPARE & DISTRIBUTE SEC. MEMO 10/29/73
8. NOTIFY KEY MEMBERS OF CONGRESS & OMB AS APPROPRIATE, BUT NO LATER THAN DISTRIBUTION OF SEC. MEMO 10/29/73
9. NOTIFY GSA & OTHERS AS APPROPRIATE (INCLUDING STATE ADMINISTRATIVE COMMITTEES 11/5/73
10. PREPARE PRESENTATION PACKAGE 11/5/73

IMPLEMENTATION (CONTINUED)

COMPLETED BY:

- | | | |
|-----|---|----------|
| 11. | DEVELOP CO-LOCATION PLAN FOR PILOT STATE: | |
| | --STATE ADMIN. COMMITTEE (SAC) TO MEET WITH
SEC. TO INITIATE PROJECT | 10/29/73 |
| | --SAC & TASK FORCE FORMULATE GUIDELINES AND
WORK PLANS, GATHER WORKLOAD DATA | 11/12/73 |
| | --PRELIMINARY ACTION PLAN COMPLETED | 11/21/73 |
| | --ACTION PLAN FINALIZED & ISSUED | 12/10/73 |
| 12. | BEGIN PILOT CO-LOCATION | 1/3/74 |
| 13. | FINALIZE NATIONAL ACTION PLAN | 3/18/74 |
| 14. | EXPAND TO NATIONAL BASIS USING MODEL
DEVELOPED FROM PILOT EFFORT | |

PRELIMINARY CO-LOCATION IMPLEMENTATION SCHEDULE

	1973				1974			
	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
1-3								
4-8								
9								
10								
11								
12								
13								
14								

KEY ISSUES TO BE RESOLVED BY PILOT EFFORT

1. TEST THE ACCURACY OF ASSUMPTIONS & ESTIMATES
2. DETERMINE ADEQUACY OF SCOPE
 - IMPACT ON NON-PFT PERSONNEL
 - IMPACT ON STATE & REGIONAL & DISTRICT OFFICES
3. DETERMINE APPROPRIATE ADMINISTRATIVE SYSTEM
 - DEGREE OF INTEGRATING FIELD OFFICE MANAGEMENT
 - PROBLEMS ASSOCIATED WITH SINGLE OFFICE DIRECTOR CONCEPT
 - MECHANISMS TO COORDINATE FIELD ACTIVITIES FROM WASHINGTON
4. IDENTIFY COMPLICATIONS IN ACQUIRING ADEQUATE OFFICE SPACE AND TERMINATING LEASE AGREEMENTS
5. DETERMINE BEST WAY TO INVOLVE STATE ADMINISTRATIVE COMMITTEES
6. DETERMINE NATURE AND DEGREE OF LOCAL SUPPORT AND/OR OPPOSITION AND BEST WAYS TO USE THE FORMER OR COUNTERACT THE LATTER
7. DEVELOP DETAILED GUIDELINES AND PROCEDURES FOR NATIONAL IMPLEMENTATION

KEY ISSUES TO BE RESOLVED BY PILOT EFFORT

1. TEST THE HIERARCHY OF ASSUMPTIONS & ESTIMATES
2. DETERMINE NECESSITY OF SCOPE
 - IMPACT ON NON-PFT TECHNOLOGY
 - IMPACT ON STATE & REGIONAL & DISTRICT OFFICES
3. DETERMINE APPROPRIATE ADMINISTRATIVE SYSTEM
 - DEGREE OF INTEGRATING FIELD OFFICE MANAGEMENT
 - PROBLEMS ASSOCIATED WITH SINGLE OFFICE DIRECTOR CONCEPT
 - MECHANISMS TO COORDINATE FIELD ACTIVITIES FROM WASHINGTON
4. IDENTIFY COMPLICATIONS IN ACQUIRING ADEQUATE OFFICE SPACE AND TERMINATING LEASE AGREEMENTS
5. DETERMINE BEST WAY TO INVOLVE STATE ADMINISTRATIVE COMMITTEES
6. DETERMINE NATURE AND DEGREE OF LOCAL SUPPORT AND/OR OPPOSITION AND BEST WAYS TO USE THE POWER OF CONSENSUS THE LATTER
7. DEVELOP DETAILED GUIDELINES AND PROCEDURES FOR NATIONAL IMPLEMENTATION

STATE OF TEXAS
DEPARTMENT OF STATE

SUMMARY

AN AGGRESSIVE MULTI-COUNTY CO-LOCATION EFFORT WOULD:

- RESULT IN THE MOVING OF 2700-4000 OFFICES
- FACILITATE THE REDUCTION OF 3300-5000 PERSONNEL
- ENTAIL ESTIMATED ONE-TIME COSTS OF \$14-25 MILLION
- PERMIT ESTIMATED ANNUAL SAVINGS OF \$30-50 MILLION

AND WOULD YIELD THE BENEFITS OF:

- ENHANCING ONE-STOP SERVICE
- FACILITATING IMPROVEMENTS IN ADMINISTRATIVE EFFICIENCY
- FACILITATING FUNCTIONAL INTEGRATION

ASCS LIBRARY
INTERNAL CONSULTING STAFF

SECRET

AN AGGRESSIVE MULTI-COUNTY CO-LOCATION EFFORT WOULD

- RESULT IN THE MOVING OF 2500-4000 OFFICES
- FACILITATE THE REDUCTION OF 2500-3000 PERSONNEL
- ESTIMATE ONE-TIME COSTS OF \$10-15 MILLION
- PERMIT ESTIMATED ANNUAL SAVINGS OF \$30-50 MILLION

AND WOULD YIELD THE BENEFITS OF:

- EXPANDING ONE-STOP SERVICE
- FACILITATING IMPROVEMENTS IN ADMINISTRATIVE EFFICIENCY
- FACILITATING FUNCTIONAL INTEGRATION